Pro-tourism bill gets President's approval

Acknowledging the importance of tourism to the U.S. economy, President Reagan signed the National Tourism Policy Act on Oct. 16, 1981. "Passage of this pro-tourism legislation is a victory for both the restaurant and the travel industries," stated NRA President Robert E. Bradford. NRA has spent years working on this legislation in hopes of encouraging more travel in the U.S.

Official after eight years in the making, the new policy creates the U.S. Travel and Tourism Administration (USTTA) with an $8.6 million budget in 1982. It also abolishes the $8 million U.S. Travel Service (USTS) set up in 1973.

The White House announced that it intends to nominate Peter McCoy for under secretary of Commerce for Tourism. McCoy is currently deputy assistant to the President and staff director for Nancy Reagan.

The act incorporated strong language defining the tourism and travel industry as important to both the U.S. economy and well being of its citizens. One of the major goals of the new policy will be to eliminate unnecessary trade barriers to the U.S. tourism industry, thereby encouraging more foreign tourists to visit the U.S. It will also encourage competition in the industry and insure the compatibility of tourism and recreation with other national interests, such as energy development and conservation.

Fred Bush, currently assistant secretary of Commerce for Tourism, told *NRA News* that the new policy on tourism will be a valuable tool for "educating lawmakers of the importance of travel and tourism." Title I of the act, Bush stated, will insure that the industry gets the recognition it deserves to develop a constituency that has long been absent in policymaking.

Special council to oversee government policy...

A special council will be set up to coordinate the more than 100 federal programs in over 50 agencies that affect travel and tourism. A travel and tourism industry advisory board is also established by the act. The board will lend expertise and provide insight to problems facing the industry.

The new administration will help make sure tourism "isn't put on the bottom of anybody's priority list," stated Bush.

Bush said he hopes the new administration will accomplish two major goals. One is to upgrade the data collection the Department of Commerce does on tourism. "It's very poorly run now," Bush said. "We're not getting the statistics we need...."

"The second goal is to supplement our budget with cooperative efforts from the private sector," he said. "We'll going out to industry and say in effect, 'Put your money where your mouth is.' We'll get the industry involved in advertising efforts and also in our new U.S.A. Coalition concept."

U.S.A. Coalition to ask industry for help...

Bush said that the U.S.A. Coalition is a pilot promotional project designed to tap markets where the U.S. Travel Service has not had a presence, using primarily private advertising dollars. One such market that is now being investigated is Venezuela, which according to Bush is the sixth largest U.S. market for foreign tourists. "Our plan is to put together a package to attract more Venezuelans to this country, using the resources of the airlines, hotels and restaurants," he said. "This is a good place for us to start because we don't have an overseas office there, and, therefore, we can easily measure our results."

Other ideas for private involvement include getting sponsors for books and pamphlets on U.S. tours and exhibitions and printing U.S. maps. "Something as mundane as a map of the U.S. is very important for our industry. We're constantly running out of them, and a U.S. map is the single most requested item overseas," Bush said.

NRA Associate Director and President of Hilton's Hotel Division, William H. Edwards (left), met with Assistant Secretary of Commerce for Tourism Fred Bush, to discuss the objectives of the newly created U.S. Travel and Tourism Administration (USTTA). Edwards is one of two NRA exchange directors from the American Hotel and Motel Association.

Part of the job of the Tourism Administration will be to educate the industry to the needs of foreign visitors and to help the industry realize the huge revenue potential tourism represents. "For example, there are things that a single restaurant can do to attract tourists. (See this month's At Your Service section.) These things include having menus printed in different languages, teaching employees to speak a few simple phrases of welcome, or working with the local Chamber of Commerce to make sure foreign visitors know about your restaurant. These are things that can make a difference," he said.

Tourism boosts food industry receipts...

Tourism, Bush noted, is particularly important to the foodservice industry. Last year tourism and travel dollars accounted for approximately one-third of total foodservice sales of $114 billion. In fact, the biggest single item in the travel budget of overseas visitors to America in 1980 was the purchase of food in restaurants and other foodservice establishments.

The new act will prohibit reduction in the funding and personnel levels of the existing six overseas USTS offices responsible for promotion of tourism to the U.S. A provision which prohibits the USTTA from issuing regulations affecting the industry is also included.

Rep. Hiler discusses small business

Industry to get relief from government regulations

With President Reagan's probusiness policies, a conservative Congress and an extremely generous tax bill recently enacted, small businessmen are beginning to notice some changes in Washington.

Six of the 15 recommendations made by businessmen at the 1980 White House Conference on Small Business have already affected government policy. Many of the remaining nine are now under consideration by Congress.

Three major recommendations from the White House conference were incorporated into the Reagan tax cut act: reductions in corporate tax rates, accelerated cost recovery and substantial revision of gift and estate tax laws.

Over 80 percent of NRA's membership is classified as small business, therefore, NRA News *decided to talk to Rep. John Hiler (R-IN) about the numerous small business issues now taking shape on Capitol Hill.*

Hiler's family owns and operates a foundry in LaPorte, IN, where he served as marketing director prior to his election to Congress in 1980. Hiler serves on the Small Business Committee, Subcommittee on Energy, Environment and Safety Issues Affecting Small Business and Subcommittee on SBA and SBIC Authority, Minority Enterprise and General Small Business Problems. Hiler is also a member of the Center for the Defense of Free Enterprise and the Congressional Travel and Tourism Caucus.

NRA: This summer Vice President Bush announced that the administration plans to look closely at regulations which are burdensome to small business. What proposals can we expect to see in this area as a result of White House and congressional initiatives?

Hiler: One of the things we will begin to see is an effort on the part of the government to provide small business with exemptions from particularly costly and burdensome laws and regulations. For example, Vice President Bush, who is chairman of the President's Task Force on Regulatory Relief, has recommended that we exempt small business from equal employment opportunity laws that require businesses to file affirmative action plans.

Under the administration's proposal, a small business that meets certain criteria would not have to write an affirmative action plan and do all the things entailed in that. Rather, a small business would only have to affirm that it does not discriminate in its employment practices.

This is the kind of thing we will begin to see more and more frequently. Congress now realizes that many regulations affect small business differently than big business. How proposed regulations affect different sectors of the business community, therefore, will become an important consideration when drafting new regulations.

I think we will also see a move in Congress to include cost-benefit analysis as a routine part of the regulatory process. We're also looking at the one-house veto concept, which would allow either the House or Senate to eliminate burdensome regulations before they become law.

Q: Currently, one of the major concerns of small business is the level of interest rates. Do you expect anything may happen which will help lower rates in the near future?

A: I think that within a year we will see a substantial reduction in interest rates, although they still will be much higher than anyone would like. I predict that in about six months the prime rates will be in the 15 to 16 percent range. This drop would be quite a decrease from where the rates have been.

But there are a couple of things that have to be done before this can happen. First, we have to be sure that the federal deficit remains as low as possible. Second, before rates can come down, the President's economic recovery program has to be in full swing. This means we have to accept the fact that there will not be significant improvement until fiscal 1983. Many of the budget reductions we have already passed will begin to take hold and the tax cuts will begin to filter through the economy by that time. After that, people and businesses will have more of their own capital to spend, so they will not have to borrow as heavily from the credit markets. That, in turn, will relieve some of the demand on the markets.

Q: What are the effects the federal deficit has on the credit markets?

A: Because of our large deficits, we will have a relatively tight money supply for some time. I think it is important that we do keep it tight, which means a lower growth rate than what we have had in the past.

At the same time, we need to reduce federal borrowing and increase the amount of money available in savings. Net savings in the U.S. today amount to about $170 billion. Nearly half that amount—$80 billion—will be borrowed by the federal government to finance the national debt. This is what is crowding our borrowers and pushing up interest rates.

The tax act we have enacted will provide tremendous incentives for savings and investment, which will boost that $170 billion. At the same time, the administration will begin to reduce that $80 billion by moving towards a balanced budget. The effect will be to provide more room in the middle for businesses and consumers to borrow. In short, we will be expanding the supply of money and reducing the demand for it, thereby reaching equilibrium at a lower rate of interest than we have today. However, it will be a slow process. People just don't suddenly start

saving billions of dollars overnight.

Q: What do you say to the small businessman who has to borrow money at the prime rate plus one or two points, while at the same time, big corporations can usually get loans at or below the prime rate? Can the system be made more equitable?

A: I don't think that we will ever get away from the fact that some people are in a position to borrow at lower interest rates than others. And I don't think the answer is to have a uniform borrowing practice. What we need are alternative ways of financing that are more satisfactory to small business. For example, we could change the tax code to make it easier for small businessmen to reinvest their profits.

If you are a small businessman and you sell your business—say you decide to sell it and reinvest the profit in another business—you shouldn't have to pay taxes on the money you earn. In other words, there should not be a capital gains tax on that sale, provided you reinvest it within a given period of time.

Another thing we need to do is make it easier for small businesses to sell stock and attract investors. With the tax act we have done that to a certain extent. We've expanded the number of people who can be in a partnership (Subchapter S corporation) from 15 to 25.

Q: Last year the Small Business Administration (SBA) proposed changes in its size standards that would have excluded a large number of restaurants that are currently considered small by the SBA. What are your thoughts on this issue?

A: Defining a small business is a continual problem. I'm not sure it really can be done, or indeed whether it should be done. If we try to get an exact distinction between a small business and a large business, we'll end up dividing the business community. I don't think anybody is interested in that. We almost have to look at the question on a case-by-case basis. For example, American Motors, which most people would think of as a big business, is really quite small when compared to General Motors or Ford.

I think the key things to look at are concentration and degree of competitiveness within each industry, sales figures and number of employees. No matter what distinctions we use, we always have to remember that there are many, many different classes of business in this country and that any law we pass will affect each class in a different way.

Rep. John Hiler (left) reviews small business legislation with NRA legislative representative Pat Davis.

Q: Recently legislation has been introduced that would place restrictions on the use of "small issue" industrial development bonds (IDBs), which are used extensively by small business. The restaurant industry is particularly concerned about a proposal to limit IDB use to economically distressed areas. What is your view on IDBs?

A: I view IDBs with mixed emotions. I do not see them as the savior of business and communities as some people say they are. I don't know that they've really helped my area of the country that much—I've seen an awful lot of businesses go to the south and southwest despite their use.

One of the problems with a program like this is that those who cannot get an IDB are picking up the tab for those who can. Anytime you have government-directed credit allocation through debt, loans or loan guarantees, you run into a situation where someone has to pick up the freight .

So I think Congress does need to look into this program to see if it's everything it's cracked up to be. There have been several oversight measures proposed that I believe are necessary. These include holding public hearings on projects before bonds are issued, ensuring that a proposed project would not create an unjustified competitive disadvantage to existing businesses in the area, requiring that a bond issue stimulate the local economy and create a significant number of new jobs and requiring that the bond issue be necessary in order for the project to be undertaken.

The provisions that would require such projects to be located in economically distressed areas I look upon with a jaundiced eye. We may want to leave that out of this particular legislation and take it up in some other bill, such as the Urban Jobs and Free Enterprise Zone Act, which has a number of targeting provisions.

Q: Do you expect to see any new labor initiatives from the White House this year, particularly in the area of the youth opportunity wage?

A: No, I really don't think we'll see anything happening until the next fiscal year, or at least until after the administration sees how this year's budget falls. I'm not sure you can set up a youth differential in an equitable fashion, so I think the administration is going to steer away from that concept for the time being.

WASHINGTON REPORT

NRA resists proposed measure on illegal aliens

In testimony before the Senate Subcommittee on Immigration and Refugee Policy on Oct. 2, NRA Chief Counsel Robert Neville said the association does not support Reagan's proposal to make employers responsible for determining if workers are in the U.S. legally and are, therefore, eligible to work.

Under a proposal announced by the U.S. attorney general last summer, employers could be fined from $500 to $1,000 for each illegal alien they hired, and an injunction could be filed against those that have demonstrated a "pattern or practice" of hiring illegal aliens.

Neville explained to Senate members that employers are not equipped to determine whether workers are legal aliens and U.S. citizens. "Our principal concern with the proposal is with the soundness of merely shifting the main thrust of the enforcement burden from the government to the private employer. The fundamental question is whether you can transfer the exclusively federal government function of determining citizenship to a private citizen—the employer."

Neville stressed that if Congress does decide that the government cannot meet its regulatory responsibilities without imposing additional requirements on the employer, any new rules adopted should be "simple to administer and not expose the employer to charges of discrimination by one branch of government in his attempts to comply with the regulations of another branch."

"...employers are not equipped to determine whether workers are illegal aliens...."

"NRA would urge the Congress to be precise in whatever standards are imposed and not leave its intent to be expressed in regulations, or to the subjective judgment of government employees," added Neville. Some provision should be made for inadvertent violations, Neville continued. Employers who mistakenly hire an illegal alien should not be treated the same as those who deliberately and repeatedly violate the law.

The administration's proposal would provide a good faith defense to an employer who examines an identification card that is presented by an employee. Such an ID could be in the form of a permanent resident alien card, a temporary worker visa, or any two of the following

a) birth certificate
b) driver's license
c) Social Security card and
d) registration certificate issues by the Selective Service System.

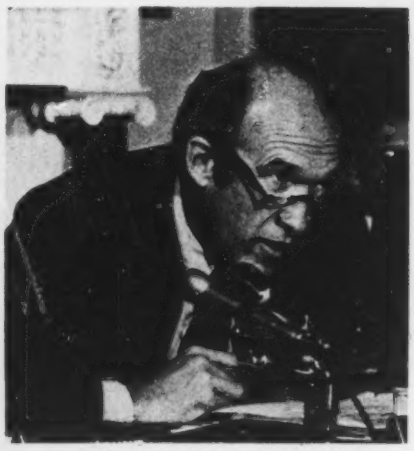
The documentation presented would have to be retained by the employer and be available for inspection by the Immigration and Naturalization Service and the Department of Labor.

Such requirements, Neville said, would pose additional recordkeeping burdens on employers as well as deprive employees the use of their IDs. There is the further problem that many applicants who would be lawfully employed may not have a birth certificate, a driver's license, or a draft registration card and, therefore, could not meet the administration's identification requirements.

Neville also remarked that government officials who administer benefit programs should be held to the same accountability as employers if they mistakenly give welfare benefits, such as food stamps, to illegal aliens.

On May 5, 1981, NRA testified against a similar proposal for employer sanctions recommended by the Select Commission on Immigration and Refugee Policy. The commission's final report was the subject of congressional hearings.

In May, NRA said, "Requiring employers to make determinations of the status of their employees and job applicants is involving them in intricate problems of constitutional and immigration law which most are just not equipped to handle.... The seemingly inevitable result would be discriminatory employment practices against those who could not easily and clearly prove that they were legally entitled to work."



Sen. Alan Simpson (R-WY) directs question on work permit at NRA General Counsel Bob Neville.

NRA General Counsel explains implications of the proposed measure on illegal aliens.

THE LAW

New minimum wage chart published by NRA for all states

Every year the National Restaurant Association publishes a minimum wage chart that summarizes all federal and state minimum wage laws. The chart indicates coverage of each law, required minimum wage, overtime, tip, meal and uniform requirements, and permissible deductions from wages for loss, breakage and mistakes. The chart also indicates the name, address and telephone number of the government official who supervises enforcement of the law in each state.

The 1981 Minimum Wage Chart has just been published and distributed to NRA members. Extra copies are available on request.

New law makes federal government liable for legal costs

Everyone has heard horror stories about small businesses or individuals forced to pay taxes, fines or assessments to some U.S. government agency when they did not think the demanded payment was legally justified. It was cheaper to give up and pay the questionable assesment than to hire an attorney and fight the battle in court.

In the foodservice business, the Department of Labor (DOL) is probably the greatest offender in this regard. Last year DOL bragged that it collected nearly $11 million from foodservice operators in "unpaid wages." Many demands arose from enforcement policies that were unclear or misunderstood.

For many operators who have despaired of ever being able to fight this system, relief may be in sight. Beginning Oct. 1, 1981, taxpayers can be reimbursed by the government for attorney's fees if they are successful in an action against any agency of the federal government. The statute is an experimental one and expires Oct. 1, 1984, except in cases where all action was initiated before that date.

The new law applies to court cases and to all adversary proceedings within a government agency in which the government is represented by counsel. The government does not need to initiate the action, and attorneys' fees will not be awarded unless the government shows that its position was "substantially justified." In other words, the new statute shifts the burden of proof from the taxpayer to the government.

A taxpayer who prevails in an action against a government agency, such as DOL, can recover more than attorneys' fees. Recovery can be made for reasonable expenses of expert witnesses and the cost of any study, analysis, report, test, or project necessary for the preparation of the case. There is no limit on the amount of expenses that can be reimbursed as long as they can be directly related to the case. Attorneys' fees, however, cannot exceed $75 per hour unless there are special factors justifying a higher amount.

Who can recover? Any claimant can recover, except an individual whose net worth exceeds $1 billion or the sole owner of a business that has a net worth exceeding $5 million, or which has more than 500 employees.

How to recover? Within 30 days after final disposition of the action, claimant must submit an application to the court (government agency or department if the adversary proceedings were within an agency or department). The application must show that claimant was a prevailing party entitled to reimbursement. The amount of the expenses should be stated with an itemized statement from any attorney or expert witness detailing time expended and rates at which fees were computed. Claimant must also allege that the position of the agency was not substantially justified.

The Congressional Budget Office has estimated that the government will be required to pay $92 million in legal fees in the coming fiscal year, increasing to $109 million in the second year and $129 million in the third year.

Legally speaking...

a series of short legal notes on government policy that may affect the way restaurateurs do business

Uniform maintenance requirement reduced

On July 31, 1981, the Department of Labor (DOL) announced in a letter to NRA that it had changed its enforcement policy on uniform maintenance. Restaurant operators no longer have to reimburse employees for the cost of maintaining wash and wear uniforms.

NRA has long fought the mandatory payment to employees for cleaning easy-to-care-for clothing because it can be done with other family laundry, and, therefore, requires no added work or expense.

Prior to July 31, 1981, DOL required that an employer reimburse a minimum wage employee for the cost of having his uniform maintained, if the employee laundered it himself.

THE BOARD ROOM

NRA Chairman Walter Conti (right) congratulates Director B.J. Strickland for his work on the industry handicapped employee program.

Conti honored at board meeting

The National Institute of Mental Health (NIMH) presented NRA Chairman Walter Conti with their Public-Private Partnership Award during the September NRA board meeting held in Hershey, PA. A second award was presented to the association itself.

Conti and NRA were recognized by NIMH for "outstanding service in stimulating employment of mentally restored people." These awards were the first conferred by NIMH, an agency of the publically-funded National Institute of Health.

In accepting the award, Conti referred to the need for private industry to undertake more public service work during a period in which government programs are being cut back. "I am pleased that the foodservice industry is taking the lead in this important cooperation between the public and private sectors," Conti stated.

Conti gave special recognition to NRA Director B. J. Strickland of Nationwide Food Service, Jacksonville, FL, for initiating NRA activities in this human resource area. "This is an award for which the entire industry can take pride," Conti stated.

Board reviews full range of NRA activities...

The first two days of the Monday-through-Wednesday session were devoted to meetings of the board's operating committees. "The variety of NRA activities is almost mind-boggling," said Chairman Conti. "Only by dividing into committees and reviewing staff activity can we be sure of doing justice to all the association's functions."

Joe R. Lee, (right) chairman of the Government Relations Committee confers with NRA board member Larry Hilaire before the meetings begin.

The Communications Committee, which is chaired by Michael Grisanti (Casa Grisanti, Louisville, KY), reviewed the progress of NRA's expanding press contact program and directed the staff to draw up plans for a five-year "Project Hospitality" designed to provide materials and courses which will improve the effectiveness and cordiality of employee-guest interaction.

The Convention Committee, chaired by Ted Balestreri (Sardine Factory, Inc., Monterey, CA), reviewed plans for the 1982 NRA Show, which this year will include an additional floor of exhibits, closed-circuit TV coverage and an invitational exposition for professional designers who will submit entries for an energy-efficient kitchen.

The Education and Research Committee, chaired by Harris Rusitzky (Serv-Rite Corp., Rochester, NY), reviewed the educational seminar program and asked the research division to conduct a survey to develop a profile of the NRA membership. The profile will be used in planning future programs in education.

The Human Resource Committee,

chaired by Ernest Royal (Royal Hearthside, Rutland, VT), discussed plans for more human resource promotions like *The First Day*, a recently published checklist for new employees. (See Short Order this month.) It also asked staff to investigate the preparation of a new film on careers in foodservice.

The Membership Development Committee, chaired by Michael Hurst (15th Street Fisheries, Fort Lauderdale, FL), set a target of 4,500 new members for this year. It then reviewed ways in which NRA can provide more services available exclusively to members.

The NRA Political Action Committee (PAC), chaired by Ralph Evans (Evans Farm Inn, McLean, VA), reaffirmed its commitment to raise $200,000 to contribute to the 1982 campaigns of politicians who are knowledgeable about the concerns of the industry. (See PAC article on next page.) It scheduled a special meeting this month to review fund-raising operations and criteria for contributing to candidates.

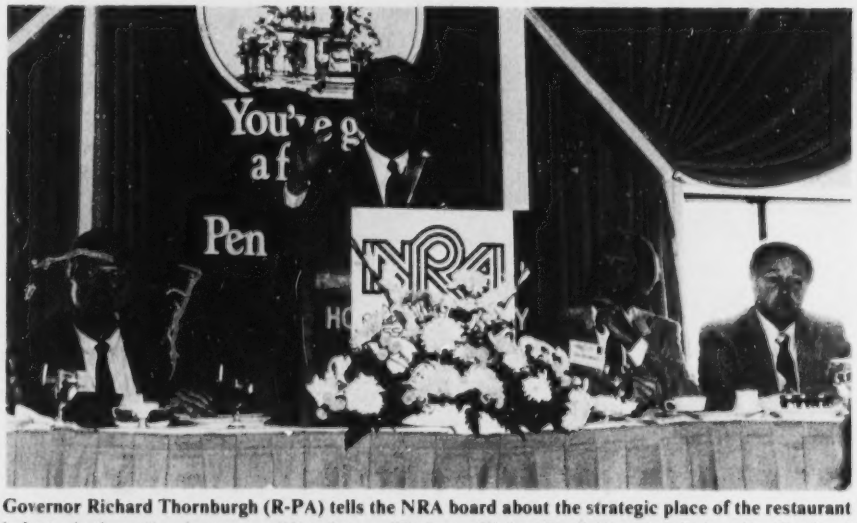
NRA board reviews plans for political education program...

The NRA Political Education Committee (PEC), chaired by Michael O'Neal (The Ginger Man Group, New York, NY), reviewed proposals for a massive political education program designed to heighten the industry's knowledge of its situation and its opportunities to act as a political force. The initial phases of this program were endorsed and a task force established to review all the materials presented.

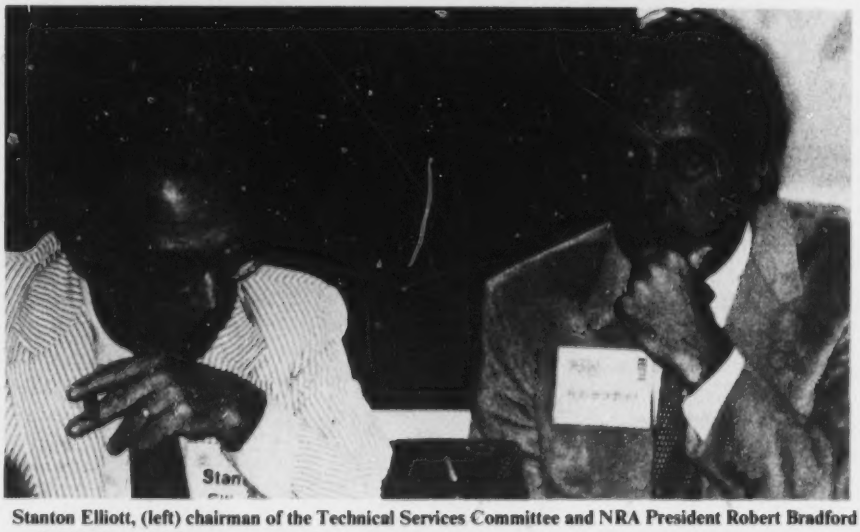
The State Relations Committee, chaired by James Collins (Collins Food International, Inc., Los Angeles, CA), reviewed ways in which NRA can serve the state association involved in local legislative battles and develop NRA's grassroots lobbying effort, a program designed to put local foodservice operators in contact with their representatives in Washington.

The Technical Services Committee, chaired by Stanton Elliott (Fresh Freeze Enterprises, Eureka, CA), de-

Ernest Royal, chairman, Human Resources Committee discusses employment of minority youth with staff member Walter Ashcraft.



Governor Richard Thornburgh (R-PA) tells the NRA board about the strategic place of the restaurant industry in the national economy. Listening are Chairman Walter Conti, President Robert Bradford and Treasurer John Dankos.



Stanton Elliott, (left) chairman of the Technical Services Committee and NRA President Robert Bradford study FDA's model foodservice ordinance.

Sen. Specter labels PACs as indispensible

Sen. Arlen Specter (R-PA) told members of the NRA Political Action Committee (PAC) that the PAC concept is absolutely indispensible if members of Congress are to be exposed to various industry concerns and, therefore, vote for sound laws.

Specter spoke to NRA board members and guests at the first NRA-PAC breakfast held in Hershey, PA, during the September board meeting. The senator explained that the cost of television advertising in statewide campaigns makes it imperative that candidates receive outside financial support. He also thanked NRA-PAC for support during his last campaign.

NRA-PAC is a voluntary, non-profit, nonpartisan, unincorporated body of businessmen from the foodservice industry. The sole objective of the PAC is to financially assist candidates, without regard to party affiliation, whose election is in the best interest of the foodservice industry. NRA-PAC supports candidates for the U.S. Congress who have an awareness and appreciation of the foodservice industry and who recognize the need to be fiscally responsible.

Individuals in the foodservice industry choose to contribute to NRA-PAC rather than donate money directly to a candidate because our PAC contributes funds in the name of the foodservice industry as a whole. This means that NRA-PAC is likely to contribute larger sums of money to more candidates than an individual can usually afford to do. The result is more industry identification.

For more information on the NRA-PAC, please contact Ballard Everett at NRA in Washington, D.C.

Ralph Evans, chairman of the Political Action Committee, reaffirms committee commitment to raise $200,000 to contribute to 1982 political campaigns.

velops plans to improve public health and safety and facilities and equipment in the foodservice industry. At this meeting, it studied the U.S. Food and Drug Administration's (FDA) model foodservice ordinance, which is likely to be adopted by local governments. The committee agreed to petition FDA for priority review.

On Tuesday afternoon, the Government Relations Committee, comprised of the entire board, met with Committee Chairman Joe R. Lee (General Mills Restaurant Group, Orlando, FL) presiding. This body reviewed NRA's position on current legislative and regulatory proposals in Washington.

Among proposals discussed was legislation which would limit the use of small issue revenue bonds (IRBs) for commercial properties to economically distressed areas. NRA will oppose this legislation which would cut off economic assistance required by many growing foodservice firms.

The committee also directed the association to oppose all legislation requiring deposit on beverage containers and agreed to pay one-third of the court costs in the case of *Morrison, Inc., vs. Ray Marshall,* now scheduled for appeal. If the favorable decision already handed down in this case is not reversed, there will be a significant reduction of the red tape surrounding credit against wages taken by operators supplying meals to employees. (See October *NRA News* The Law.). The government Relations Committee also reaffirmed its opposition to proposals which would put more tough, lean beef in the USDA Prime and Choice categories. NRA is actively seeking a return to the meat-grading standards employed by USDA before 1976, when the grades were redefined.

NRA's standing committees also met during the three-day session to review the operation of the association itself. These committees include the Executive Committee, chaired by Walter J. Conti; Finance Committee, chaired by NRA Treasurer John Dankos (Dankos Enterprises, Inc., Richmond, VA); Audit Committee, chaired by NRA Past President Thad Eure (Creative Dining Food Systems, Inc., Raleigh, NC); By-laws and Policy Manual Committee, chaired by Edward Elliott (Plaza Inn Foods, Inc., Mount Victory, OH); and Nominating Committee, chaired by Harris Machus (Harris O. Machus Enterprises, Birmingham, MI).

On Wednesday morning, the full board convened. Under the gavel of Chairman Conti, it reviewed and approved actions of all the committees. "This has been a very productive session," Conti commented at the conclusion of the meeting. "NRA is developing programs to satisfy all the needs of a very diversfied industry. We are working in the interest of all our members — independent or chain, fast food, table service, or caterer."

STATE DEPARTMENT

State legislative issues threaten restaurateurs

While national attention continues to focus on legislative activity in Washington, restaurant operations could be picked apart by state laws and regulations. During the 1970s, the U.S. Congress enacted 3,359 laws, while the 50 state legislatures enacted over 250,000 new statutes.

The National Restaurant Association expects the number of state laws enacted in the 80s to increase as legislative and regulatory burdens are transferred from Capitol Hill to the state legislatures.

In his inaugural address, President Ronald Reagan said, "It is my intention to curb the size and influence of the federal establishment and to demand recognition of the distinction between the powers granted to the federal government and those reserved to the states...." The result of Congress' delegating legislative authority and responsibility to the states is increasing at an alarming rate. One out of every 20 people now works for a state or local government agency. In the last decade the number of such employees has grown by 37 percent, while payrolls have increased by 154 percent.

Being a state legislator has become a full-time occupation because of the ever-increasing amount of legislation requiring consideration. Many states have held two or more special sessions since their scheduled adjournment dates to cover important issues which could not wait until next year. Despite the longer sessions, 22 states will carry over legislation to 1982.

NRA is concerned about the growing effect state and local governments have on restaurants. In a recent speech to multi-unit foodservice operators, NRA President Robert Bradford said, "Five years ago, the activists were outside of government trying to influence what happened. Three years ago, they were in the Carter administration making policy. Although they're not in Washington anymore undertaking the hopeless task of convincing a conservative President and a conservative Congress, they are in the state capitals, the county seats and the city council chambers trying to get done at the state and local level what they cannot accomplish in Washington."

State legislation affects our industry...

The NRA state relations department has tracked nearly 4,000 bills this year which could have or, in fact, did have an impact on the foodservice industry. Stressing the importance of state government activity, Jim Rogers, director of state relations, noted, "The cost and burden of complying with numerous, and oftentimes conflicting, state laws and regulations prove to be more of a nightmare than complying with the federal government."

Although state legislators have been preoccupied with reapportionment and the search for new sources of revenue for the last year, many new labor and liquor bills affecting restaurant operators have been signed into law. Thirty-four states have considered mandatory deposit of beverage containers, and twenty-one legislatures have contemplated new energy tax savings for commercial establishments. Sanitation inspections, advertising restrictions and unemployment compensation benefits have also been important issues this year for the foodservice operator.

According to a recent NRA survey, labor, liquor, energy and public health and safety are the most important legislative issues to the greatest number of members. NRA plans to concentrate on these issues during the 1982 legislative sessions.

NRA urges all restaurateurs to watch carefully legislation in their states and to work closely with their state restaurant associations. By monitoring legislation, restaurateurs can avoid excessive governmental intervention in their operations.

State issues in the 80s

- *mandatory bottle deposits*
- *polygraphs*
- *unemployment compensation*
- *energy conservation*
- *legal drinking age*
- *sales taxes*
- *billboard advertising*

For more information on these issues, contact NRA's state relations department.

FOODSERVICE TRENDS

The information from this survey should help restaurant owners and managers understand the significance of travel to our industry. How much travelers spend in restaurants and the frequency with which they visit various types of restaurants are outlined in this report and accompanying charts. These survey results are based only on August travel and are not necessarily indicative of travel during other months.

National Travel Survey (NTS) plans to ask these same two proprietary questions in the May NTS survey to determine how August travel behavior differs from that in a lighter travel month, such as April.*

Domestic travelers spent $7.9 billion in U.S. restaurants during August, according to a recent telephone survey in which NRA participated. After adjusting for sales tax and tips, vacationers and business travelers still spent nearly $6.4 billion on food away from home during this one month, which is equivalent to six percent of total annual commercial group food and beverage sales can be attributed to these travelers.

Sixteen percent of the $40 billion annual spending done by domestic travelers in restaurants occurs during August, which is the heaviest travel month.

Because travelers and tourists make such an important contribution to the foodservice industry, NRA decided to pinpoint how much travelers spend on eating out and what kind of restaurants they visit.

August travelers spent $7.9 billion in U.S. restaurants

Highlights

- Domestic travelers spent $7.9 billion in restaurants during August.
- August spending by travelers accounted for six percent of total annual commercial group sales.
- Each travel party spent an average of $23 per day in restaurants during August. Business and airline travelers spent $25 and $31 per day, respectively.
- Business travelers spent $4.00 per day more than any other category of travelers for restaurant meals and snacks.
- The average August traveler ate out 6.1 times per trip, or at least once a day.
- Business and airline travelers were the most frequent users of upscale restaurants during August.

Foodservice Trends

Thirty-four percent traveled in August...

Thirty-four percent of the U.S. adult population took at least one trip in August—up from August of last year. Survey participants were asked the reason for the trip, the distance traveled, principal mode of transportation, where they stayed and the number of nights they were away.

The majority of respondents indicated that the primary reasons for travel was to visit friends and relatives as well as for pleasure

- 31 percent of the trips involved visiting friends and relatives
- 45 percent of the travels were for outdoor recreation or entertainment and
- 12 percent were for a business meeting or convention.

The average trip distance during August was 840 miles. Business travelers reported an average trip length of 1,240 miles while pleasure travelers went only 780 miles. Trip distance was also classified by mode of transportation. The average distance of airline trips was 1,940 miles compared to 660 miles for auto trips.

The average number of nights spent away from home was 5.6 for all travelers. Those visiting friends or relatives were away for 6.1 nights while pleasure travelers were away for 5.8 nights. Business travelers reported their average length of stay was 4.4 nights. A review by mode of transportation revealed that airline travelers spent more time away from home than auto travelers, 7.7 nights vs. 5.1 nights.

Four out of 10 travelers stayed in hotels or motels. Three-fourths of all business travelers, however, used hotels and motels, compared to 61 percent of the airline travelers.

Travelers spent $11 per day per person...

Respondents to this survey were asked, "Approximately how much did you spend per day on meals and snacks purchased at restaurants for everyone in your travel party?" Eight out of 10 respondents spent at least $1.00 per day, while less than two out of 10 spent nothing in restaurants. Each respondent's travel party spent an

average of $23 per day and an estimated $129 per trip in restaurants. These figures include tips and sales tax.

The reason for trips and the mode of transportation help quantify the amount of money spent in restaurants, according to survey results. (See Chart.) Business travelers spent an average of $24 per day. Thirteen percent of business travelers, however, stated they had spent nothing on restaurant meals. Many of these people may have had their meals included with meeting and convention fees. Nearly 20 percent of the business/convention travelers spent $40 or more on restaurant meals and snacks during their trip and another 31 percent spent between $20 and $39.

Pleasure travelers spent an estimated $25 per day with nineteen percent reporting they had spent nothing on restaurant meals and snacks.

People who were visiting friends and relatives spent only $20 per day in commercial eating establishments. Lower spending by this group probably reflects a greater tendency to dine at home with their hosts.

Air travelers reported daily average restaurant expenditures of $31 versus $22 for auto travelers. Thirty-six percent of the air travelers spent $40 or more per day in restaurants, compared to only 20 percent for auto travelers. Auto travelers can take food with them easier than air travelers.

An analysis of daily restaurant expenditures by household income revealed that people from families with annual incomes over $30,000 spent $28 per day on restaurant meals and snacks. This is twice the $14 spent by people from households with incomes under $10,000. Respondents age 25 to 34 spent an average of $27 per day on restaurant meals while traveling versus $20 by people age 18 to 24 and $18 for those 55 to 64.

Business travelers spent considerably more than all travelers for restaurant meals and snacks on a daily, per person basis. The survey indicates that in August business travelers spent $15 per person per day in restaurants. This is above the average spending by all travelers—$11.

Travelers visiting friends and relatives reported average daily, per person restaurant expenditures of $10 and those traveling for pleasure reported expenditures of $11. Previous NRA surveys have also shown that business travelers are more likely to patronize restaurants, and they do so more frequently than vacationers. However, since the length of stay for a business trip is less than that for a vacation or pleasure trip (4.4 nights vs. 6.6 nights), total trip spending by vacationers is greater than that for business travelers.

*The NTS is conducted monthly by the U.S. Travel Data Center, the national non-profit center for travel and tourism research. Over 1,000 adults are interviewed by telephone concerning their travel in the prior month, and the results are projectable to the national population. The interviewing for this study was conducted during the first week of September and respondents were queried about any trips they or their families had taken in August. The results are based only on trips of 100 miles or more one way.

Amount spent per day on eating out while traveling during August

Percent spending	total respondents	reason for trip: visit friends/ relatives	reason for trip: pleasure	reason for trip: business/ convention	mode of transportation: auto	mode of transportation: air
$1.00-$5.00	7%	15%	3%	1%	7%	3%
$6.00-$10.00	4	1	4	3	4	—
$10.00-$19.00	19	23	13	33	20	13
$20.00-$29.00	19	14	24	20	20	20
$30.00-$39.00	10	8	9	11	9	14
$40.00-$59.00	16	13	20	14	14	26
$60.00 and over	7	5	8	5	6	10
Percentage who did not eat out	18%	20%	19%	13%	19%	14%
Average spent per day	$23	$20	$25	$24	$22	$31
Daily average per person	$11	$10	$11	$15	$10	$22
Average total per trip	$129	$122	$145	$106	$112	$239

Sources: *National Travel Survey*, U.S. Travel Data Center, National Restaurant Association

Average number of times eaten at various types of restaurants while traveling during August

Type of restaurant	total respondents	reason for trip: visit friends/ relatives	reason for trip: pleasure	reason for trip: business/ convention	mode of transportation: auto	mode of transportation: air
Fast food	1.4%	1.5%	1.4%	0.9%	1.4%	1.3%
Cafeteria	0.4	0.2	0.3	1.2	0.3	1.0
Moderate price restaurant*	1.8	1.3	2.4	1.6	1.7	2.1
Upscale restaurant**	2.1	1.3	2.6	2.9	1.5	5.1
Recreation or amusement park	0.4	—	0.6	0.3	0.4	0.3
Total visits	6.1	4.3	7.3	6.9	5.3	9.8

* Average per person check under $5.00.

** Average per person check over $5.00.

Sources: *National Travel Survey*, U.S. Travel Data Center, National Restaurant Association

Air travelers spent twice as much on a daily per person basis as auto travelers—$22 vs. $10. Previous studies also show this to be true. In addition, the NTS survey indicated that air travelers stay longer at their destination than auto travelers--7.7 nights vs. 5.1 nights. As a result, total per trip restaurant expenditures by people using air transportation equaled $239, compared to $112 for auto travelers.

Average August traveler ate out frequently...

Participants in the National Travel Survey were asked to indicate how many times they had eaten out in restaurants while traveling. The August traveler ate out 6.1 times per trip. Since the average length of stay for each trip was 5.6 nights, each travel party ate out at least once each day.

Business travelers in August reported dining out in restaurants 6.9 times during a trip, or about 1.5 times each day. Pleasure travelers ate out considerably more often than those who were visiting friends and relatives in August, 7.3 times vs. 4.3 times. The average length of stay for pleasure travelers was 5.8 nights, slightly lower, however, than the 6.1 nights for people visiting friends and relatives.

Airline travelers reported that they ate out in restaurants nearly 10 times during their trip, approximately twice as often as auto travelers. The length of stay for those using air transportation is higher than that for people using cars.

This trend helps explain the greater use of restaurants by air travelers.

Business and air travelers are heavy users of upscale restaurants...

August business and air travelers ate out more often at upscale restaurants (per person check greater than $5) than the average traveler. Business travelers reported eating out about three times in upscale restaurants while all travelers averaged two meals eaten out per day. A high proportion of business travelers, 75 percent, stayed at hotels and motels where many upscale restaurants are located. Also fewer children accompany business travelers, and, therefore, business travelers are able to spend more time relaxing at upscale restaurants.

Airline travelers reported that they ate at upscale restaurants five times during their August trip. Many of these people are business travelers and upper-income persons who can more easily afford to eat out at higher-priced eating establishments.

People visiting friends or relatives reported eating out more often at fast food restaurants. Many of these respondents traveled with children and are from lower and middle-income households. As a result, these lower-priced eating establishments may have been more attractive. Pleasure travelers, as shown in the accompanying chart, reported eating more often at moderate and upscale restaurants. Many of these travelers were parties of two adults or more and were from middle and upper-income households. Since the purpose of their trip was enjoyment, they most likely chose more leisurely dining establishments.

New NRA publication reports on travelers' eating habits

This article was prepared from a new NRA publication, *Restaurant Habits of Vacation and Business Travelers, August 1981*. Information in the detailed report includes statistics about travelers, such as the average number of visits to various types of restaurants, the amount spent per day on eating out and demographic characteristics on age, sex, income and occupation of domestic travelers.

The new publication is available for $10 to NRA members and $20 to non-members. To order your copy of the report, please contact NRA's Educational Materials Center in Washington, DC and include the publication number CS930.

Foodservice employment to increase in the 80s

Employment growth in the foodservice industry will outpace that for most other industries during the 1980s, according to new Bureau of Labor Statistics (BLS) employment projections.*

The total number of full-time employees in specialized foodservice occupations is forecast to increase from 5.6 million in 1978 to 7.8 million in 1990—a gain of 39.5 percent.

BLS also estimates that the number of individuals employed as restaurant, cafeteria and bar managers will reach 650,000 by 1990—an increase of 30.3 percent from 1978. The industry employs cashiers, bookkeepers and custodians, as well as people in specialized foodservice occupations.

The National Restaurant Association estimates that eight million people are employed in all phases of the foodservice industry, including part-time and full-time workers.

The new Bureau of Labor Statistics employment projections provide information on additional foodservice occupations which were not covered in their previous forecasts. The major foodservice categories

*The economic rational for the employment projections presented here appears in the last section of this article.

The number of individuals employed in the foodservice industry will increase 39.5 percent by 1990.

have also been broken down further, into food preparation and service workers for fast food restaurants, waiters' assistants, sandwich makers and various types of cooks and chefs. Nineteen-ninety employment projections for each of these occupations are listed in the accompanying table.[1]

Foodservice employment to increase...

Employment in foodservice occupations will increase 39.5 percent between 1978 and 1990, according to BLS projections. In service industries, this growth is second only to the projected increase of health service occupations. Between 1978 and 1990, health service employment is expected to increase 56.9 percent. In terms of the number of people employed, however, foodservice workers still rank first in the service sector.

Foodservice ranks sixth among projected growth figures for all occupations. BLS projects that total employment for all occupations will rise only 24.4 percent between 1978 and 1990.

The strong job growth projected for the foodservice industry is the result of several factors. Unit expansion

[1]The BLS figures tend to understate the actual number of people employed because individuals with two jobs are counted only at the job where they work the greater number hours. As a result, part-time workers in our industry may not be counted by BLS if they hold other jobs.

Occupational employment 1978 to 1990

	1978	1990*	percent change
Bakers—bread and pastry	45,000	57,000	26.7%
Bartenders	347,000	457,000	31.7
Butchers and meat cutters	178,000	214,000	20.2
Cooks, except private households	1,024,000	1,379,000	34.7
Cooks institutional	296,000	378,000	27.7
Cooks restaurant	320,000	448,000	40.0
Cooks short order and specialty fast foods	408,000	554,000	35.8
Food preparation and service workers, fast food restaurant	714,000	1,210,000	69.5
Host/hostess, restaurant lounge, coffee shop	104,000	155,000	49.0
Kitchen helpers	771,000	1,084,000	40.6
Pantry, sandwich and coffee makers	64,000	92,000	43.7
Waiter/waitress	1,539,000	2,084,000	35.4
Waiter's assistant	252,000	366,000	45.2
Total	**5,610,000**	**7,827,000**	**39.5**

*BLS projections

Source: Bureau of Labor Statistics

Occupations with most rapid employment growth in the 1980s

Occupation	percent change 1978-1990
Selected health service workers	56.9%
Health technologists and technicians	46.0
Medical workers, except technicians	45.8
Mine operatives	43.4
Engineers	42.9
Foodservice workers	**39.5**
Engineering and science technicians	38.7
Selected personal service workers	36.2
Office machine operators	36.2
Protective service workers	33.7

Source: Bureau of Labor Statistics

in the industry, particularly the fast food segment, will account for much of the growth. Also, several demographic trends, such as the aging of the U.S. population, an increase in one and two-person house-holds and the continued increase in the number of working women, are expected to benefit the restaurant industry in the 1980s. If predictions are valid, these trends will increase the number of people eating out, thus creating a demand for more workers to serve restaurant patrons.

During the 80s, service and preparation jobs in fast food restaurants are expected to increase more rapidly than any other foodservice occupations. As shown in the accompanying chart, the number of jobs in this group is forecast to increase from 714,000 in 1978 to over 1.2 million in 1990—a gain of 69.5 percent. Fast food should continue to be one of the highest growth segments of the industry in terms of unit expansion and sales. An increase in the number of units accounts for the strong employment increase projected for this job category during the 80s.

Restaurant host or hostess occupations are projected to experience the second highest rate of growth for foodservice workers—rising 49 percent between 1978 and 1990. In contrast, for the same period, butchers' and meat cutters' jobs are expected to experience the slowest expansion of any foodservice occupational category—increasing only 20.2 percent.

Economic outlook for the 80s...

The employment projections outlined in this article are based on the assumption that in the 1980s we will experience greater productivity gains and less inflation than the 1970s. In our opinion, these figures reflect the most likely of three sets of employment projections which BLS calculated for the period 1978 to 1990.

Productivity, or output per man hour, in the non-farm sector is projected to rise 2.2 percent annually from 1980 to 1985. Between 1985 and 1990, productivity is expected to increase at a faster rate—3.0 percent per year.

Inflation, as measured by the GNP deflator, is expected to average 7.0 percent annually in the period 1980 to 1985, but slow to an annual rate of 4.7 percent from 1985 to 1990.

Growth in real GNP, adjusted for inflation, is forecast to average 3.7 percent per year in the first half of the decade and 4.1 percent annually during the second half.

BLS forecasts the number of people employed will increase 1.7 percent annually between 1980 and 1985, but will slow to 1.5 percent yearly in the period 1985 to 1990. Most of the employment growth during this 10 year period will result from more women entering the labor force.

The labor force participation rate for women 16 years and over is forecast to increase from 51.5 percent in 1980 to 58.7 percent in 1985 and 63.2 percent by 1990.

Pattern in repeat restaurant visits revealed in NRA/CREST study

This report highlights visit frequency, elapsed time between restaurant visits and concentration of visits over the course of a year for such restaurant categories as fast food, family and atmosphere/specialty restaurants. In a future article, similar information will be presented for shorter time periods, such as one month and six months.

Customer restaurant usage by perceived restaurant type for a one-year period

Restaurant type	penetration of market*	usage rate per year †	days elapsed between visits
Fast food/drive in	98.4%	62.33	5.9
Family restaurant	90.8	43.96	8.3
Atmosphere/ specialty restaurant	76.5	28.18	13.0
Cafeteria	57.2	19.35	18.9
Coffee shop	58.8	18.25	20.0
Take out	92.0	27.25	13.4

* Percentage of U.S. families which visit the restaurant type.

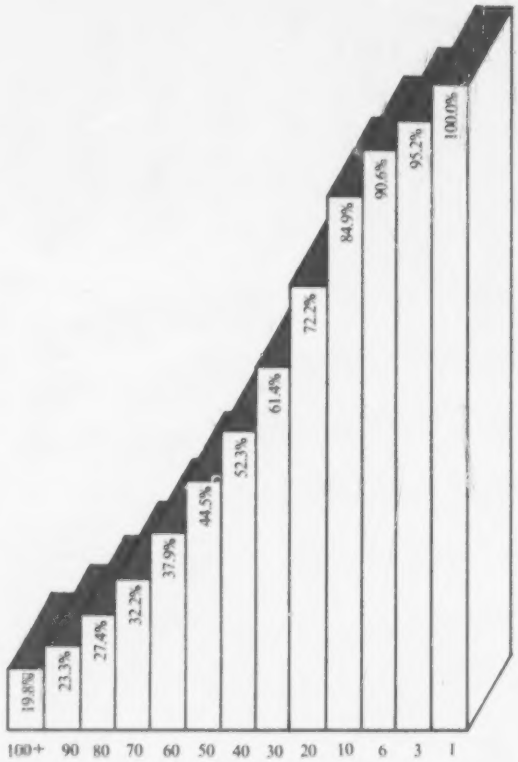
† Number of transactions by users per year.

Source: NDP Research, Inc., extrapolation model

Fast food/drive-in restaurants...

- During the course of a year, over 62 million families, or 98 percent of all families eat out at least once at a fast food restaurant. On the average, each of these families makes over 62 transactions a year, which translates into one visit every six days.
- Only 4.8 percent of fast food restaurant customers visit these establishments less than once every four months, 44.5 percent visit at least once a week and 19.8 percent visit twice a week or more often.
- The 19.8 percent of fast food customers who visit twice a week or more often account for nearly half of total fast food visits.
- In terms of reaching customers for promotions and advertising campaigns, in one week 44.5 percent of all fast food customers will be reached and in two weeks over six out of 10 customers will be reached. (See accompanying chart.)

Fast food restaurants
percent of customers reached

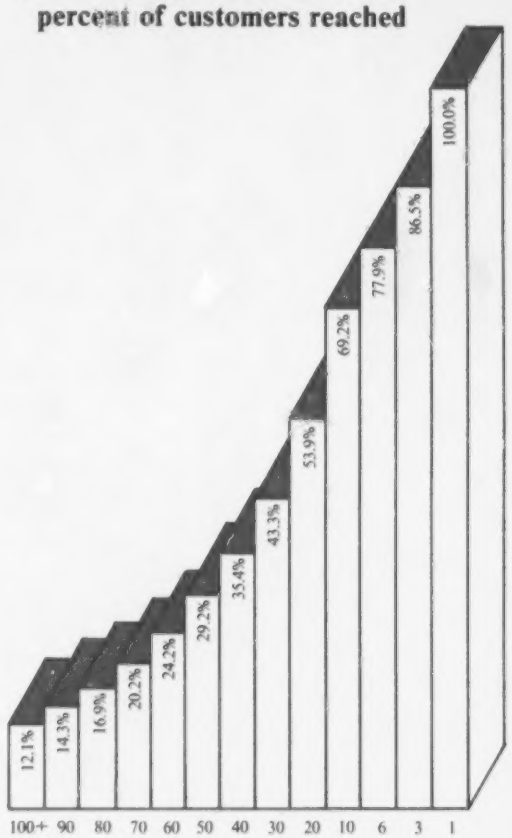


Visits/yr.	100+	90	80	70	60	50	40	30	20	10	6	3	1
Days between visits	3.6	4.1	4.6	5.2	6.1	7.3	9.1	12.2	18.3	36.5	60.8	121.7	365

Note: Figures have been re-percentaged to reflect only customers.

Sources: CREST Extrapolation Model, NPD Research, Inc.; National Restaurant Association

Family restaurants
percent of customers reached



Visits/yr.	100+	90	80	70	60	50	40	30	20	10	6	3	1
Days between visits	3.6	4.1	4.6	5.2	6.1	7.3	9.1	12.2	18.3	36.5	60.8	121.7	365

Note: Figures have been re-percentaged to reflect only customers.

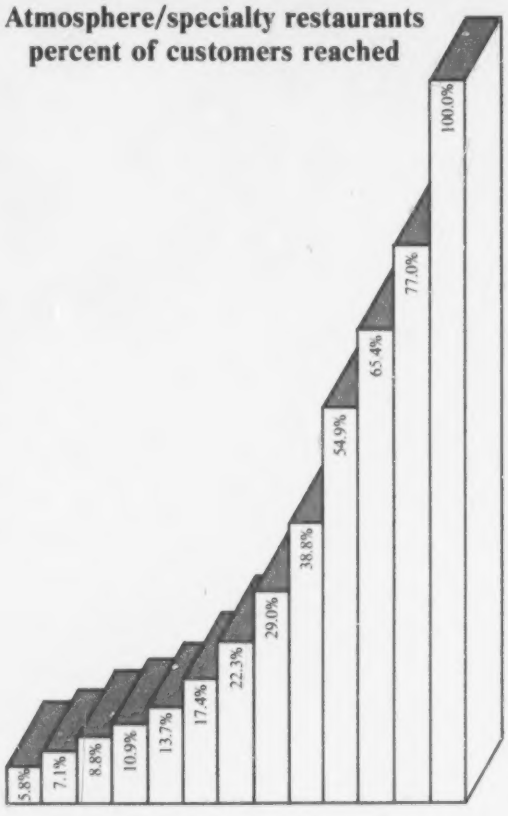
Sources: CREST Extrapolation Model, NPD Research, Inc.; National Restaurant Association

Family restaurants...

- Over 57 million families, or 91 percent of all families, eat out at least once at a family restaurant during a 12 month period. Each of these families makes an average of about 44 transactions a year, which translates into a visit every eight days.
- About one out of every seven family restaurant customers dines at these establishments less than once every four months, 33.1 percent eat out at least once a week and 12.1 percent eat out twice a week or more often.
- The 12.1 percent of family restaurant customers who visit these establishments at least twice a week account for 42.2 percent of total family restaurant visits.
- An advertising or promotional campaign lasting one week will reach 29.2 percent of all family restaurant customers, while one lasting two weeks will reach 43.3 percent. (See accompanying chart.)

Atmosphere/specialty restaurants...

- Over 48 million families, or 76.5 percent of total families, eat out at least once a year at an atmosphere/specialty restaurant. Each of these families makes an average of 28 transactions a year, which translates into one visit every 13 days.
- About one-fourth of the atmosphere/specialty restaurant customers eat out at these establishments less than once every four months, 17.4 percent eat out at least once a week and only 5.8 percent eat out twice a week or more often.
- The 5.8 percent of atmosphere/specialty restaurant customers who dine out at these establishments twice a week or more often account for 30.1 percent of the total eating occasions. On the other hand, the 23 percent of the customers who eat out less than once every four months account for only 1.5 percent of the total visits.



Note: Figures have been re-percentaged to reflect only customers.

Sources: CREST Extrapolation Model, NPD Research, Inc.; National Restaurant Association

- In terms of reaching customers for promotions and advertising campaigns, in one week 17.4 percent of all atmosphere/specialty customers will be reached by such campaigns. In two weeks, nearly three out of 10 will be reached, and in a month, over half will be reached.

Cafeterias...

- During the course of a year, about 36 million families, or 57.2 percent of all families, eat out at least once at a cafeteria. Each of these families makes an average of about 19 transactions a year—one visit every 19 days.
- Approximately two out of 10 cafeteria customers visit these establishments less than once every four months, only 10.4 percent visit at least once a week and about one out of 40 visit twice a week or more often.
- The 2.8 percent of cafeteria customers who eat out at these places twice a week or more often account for 20.4 percent of the total visits. The 18.3 percent who eat out at cafeterias less than once every four months account for less than three percent of the visits.
- An advertising or promotional campaign at a cafeteria

The information from the CREST extrapolation model will be useful to restaurant owners and managers. The present CREST diary does an excellent job of tracking the most frequent restaurant customers, but it does not capture a long enough continuous period to explain fully the composition of all restaurant patrons including infrequent customers.

Recently, NRA commissioned NPD Research, Inc., to expand on this basic two-week period and look at customer behavior over a full year. The results of this effort highlight the importance of repeat customers to various sectors of the industry.

The CREST extrapolation model extends the basic two-week behavior measure to estimate the number of families who eat out during a period (penetration) and the average number of restaurant visits per family. The model is based on CREST diary panel data from December 1979 through November 1980.

Distribution of customers and visits by restaurant type for a 12-month period

	Number of visits per year											
Restaurant type	**1-3**	**4-6**	**7-10**	**11-20**	**21-30**	**31-40**	**41-50**	**51-60**	**61-70**	**71-80**	**81-90**	**91-100**	**100+**
Fast food/drive in													
percent customers	4.7%	4.5%	5.6%	12.7%	10.8%	9.1%	7.8%	6.6%	5.7%	4.8%	4.1%	3.5%	19.8%
percent visits	0.2	0.3	0.8	3.3	4.6	5.5	6.0	6.2	6.2	6.1	5.9	5.6	49.2
Family restaurants													
percent customers	13.5	8.6	8.7	15.3	10.6	7.9	6.2	5.0	4.0	5.3	2.6	2.2	12.1
percent visits	0.6	1.0	1.7	5.5	6.4	6.7	6.7	6.5	6.2	5.9	5.5	5.1	42.2
Atmosphere/speciality restaurants													
percent customers	23.0	11.6	10.5	16.1	9.8	6.7	4.9	3.7	2.8	2.1	1.7	1.3	5.8
percent visits	1.5	2.0	3.2	8.7	8.9	8.5	7.9	7.2	6.5	5.8	5.2	4.6	30.1
Cafeteria													
percent customers	18.3	7.8	6.4	15.6	8.5	5.4	3.7	2.6	1.9	1.4	1.0	0.7	2.8
percent visits	2.8	3.4	4.8	11.9	11.0	9.8	8.5	7.4	6.3	5.4	4.5	3.8	20.4
Coffee shop													
percent customers	32.2	13.9	11.3	15.8	8.6	5.4	3.5	2.5	1.7	1.3	1.0	0.6	2.2
percent visits	3.0	3.7	5.2	12.8	11.7	10.3	8.8	7.5	6.3	5.2	4.4	3.6	17.6
Take out													
percent customers	15.2	10.8	11.1	19.4	12.6	8.7	6.1	4.3	3.2	2.3	1.6	1.2	3.5
percent visits	1.1	1.9	3.4	10.6	11.5	11.1	10.0	8.8	7.5	6.3	5.2	4.3	18.5

Note: Figures have been re-percentaged to reflect only customers.

Sources: CREST Extrapolation Model, NPD Research, Inc., National Restaurant Association

lasting one week will reach 10.4 percent of the customers, in two weeks such a campaign will reach two out of 10 customers and a month-long campaign will reach 43.6 percent.

Coffee shops...

- During a 12-month period, about 37 million families, or 58.9 percent of total families, eat out at least once at a coffee shop. An average family makes about 18 transactions a year, a visit every 20 days.
- Approximately one-third of the coffee-shop customers visit these restaurants less than once every four months, and fewer than 10 percent eat out at least once a week.
- The 9.5 percent of the coffe shop customers who dine out at these places once a week or more often account for 44.6 percent of the total visit. The 32.2 percent who dine out less than once every four months account for only two percent of the visits.
- In terms of reaching customers for promotions and advertising campaigns, in one week 9.5 percent of the coffee shop customers will be reached by such a promotion, in two weeks 18.5 percent will be reached and in a month 42.9 percent will be reached.

Take out restaurants...

- Approximately 58 million families, or 92 percent of all families, visit a take out restaurant at least once during the course of a year. Each family makes an average of about 27 transactions, or one transaction every 13 days.
- Fifteen percent of the take out restaurant customers visit these establishments less than once every four months, 16.3 percent visit at least once a week and only 3.5 percent visit twice a week or more often.
- The 16.3 percent who patronize take out restaurants at least once a week account for over half of the visits. On the other hand, the 15.2 percent who visit take out restaurants less than once every four months account for only one percent of the visits.
- An advertising or promotional campaign at a take out restaurant lasting one week will reach 11.3 percent of the customers. One lasting two weeks will reach three out of 10 customers and one lasting a month will reach nearly two thirds of the customers.

Since the inception of CREST (Consumer Reports on Eating Share Trends), the National Restaurant Association has reported quarterly on restaurant visit behavior based on an average two-week period. The information has been used to monitor trends in restaurant traffic. Recently, NRA commissioned NPD Research, Inc., the originator of the CREST diary panel, to expand on this basic two-week period and look at customer behavior over a full year. The results of this effort highlight the importance of repeat customers to various sectors of the industry.

Commodity spotlight—price and availability forecast

September wholesale food prices for restaurant operators declined 0.6 percent from August prices, according to the Food Cost Index compiled by NRA. By contrast, overall wholesale food prices declined 0.8 percent for the same period.

Prices declined during September for all commodities with the exception of bakery products, beef and veal, other meats which include pork and many processed pork products, and fruits which experienced moderate price increases during this one month period.

During the first nine months of the year, overall wholesale food costs increased at a faster rate than food costs for restaurant operators. The Bureau of Labor Statistics' *All Food, Producer Price Index* averaged 5.3 percent compared to a gain of only 4.3 percent for food costs for restaurant operators.

Lower prices for beef and veal, fresh fruit and beverages have helped to slow the rise in food costs for restaurant operators in the first nine months of this year. Increases in prices for pork, fresh vegetables, poultry and eggs, however, have exerted some upward pressure on overall wholesale food costs.

Beef—Beef production increased 4.5 percent in the third quarter of 1981 from a year ago due to a rise in the number of cattle slaughtered. USDA projects fourth quarter production will decline 1.5 percent because fewer cattle are currently on feed than during the same period last year. Feedlot placements are also smaller.

Prices of choice grain-fed steers are expected to average $66 to $68 per hundredweight in the third quarter of this year, a decline of 5.8 percent from $71.15 during the same period in the prior year. Prices in the last three months of this year are expected to increase to $67 to $70 per hundredweight, up 4.6 percent from $65.51 in the same quarter a year ago.

Pork—Pork production declined 6.8 percent in the third quarter of 1981, and USDA projects output will continue to fall in the fourth quarter, down 9.4 percent from the same period a year ago.

Hog prices averaged 8.2 percent higher in the third quarter of 1981 compared to the same period in 1980. Although prices reached $50.66 per hundredweight in the summer months, compared with $46.23 from a year ago, producers are still operating below the break-even point. Prices are expected to remain near $50 for the remainder of 1981.

Large stocks of frozen pork, abundant beef and poultry supplies and the continued squeeze on consumers' budgets should keep prices from rising.

Broilers—Broiler output averaged 9.8 percent higher in the third quarter of 1981 from year-earlier levels. USDA estimates production will increase 5.4 percent in the fourth quarter as well.

Broiler prices are expected to average 47 to 49 cents per pound in the third quarter, a decline of 9.4 percent from 53.3 cents per pound a year earlier. Lower prices are also expected in the fourth quarter due to plentiful supplies and a weakening economy.

Lettuce—Shipping prices for lettuce declined somewhat in September, falling from the August price range of $6.50 - $7.50 to $5.50-$6.50 for Santa Maria Iceberg carton 24s. Restaurant operators can expect prices to stay in this range throughout November. A sharp rise in prices may occur in December, however, when production makes its yearly shift from Salinas to the Imperial Valley. Overall, supplies should continue to be good throughout the fall and winter, despite a decrease in planted acreage.

Tomatoes—Tomato prices have remained fairly stable in recent weeks with shipping prices for 30-pound cartons of extra-large averaging about $9.00 while prices for large are ranging from $7.00 to $8.00. Supplies of tomatoes for processing are short, and costs for canned tomato products should be higher throughout 1981 and into 1982.

Fruit—Total non-citrus fruit production in 1981 is projected to average 13 percent lower than last year's large output. The U.S. apple crop is expected to fall eight percent below last year's levels. Output of grapes is also expected to decline—down 20 percent from the prior year with supplies of California table grapes off four percent.

The 1981 pear crop is forecast to fall five percent from the levels of the previous year. Because of these lower supplies, restaurant operators can expect higher prices for both fresh and processed fruit.

Fruit prices remain unaffected by the Mediterranean fruit flies in California.

Eggs—Egg production equalled year-earlier levels in the third quarter of this year, and USDA estimates output will continue near 1980 levels throughout 1981.

Egg prices are expected to increase in the third quarter to 71 to 73 cents per dozen, up 4.2 percent from 69 cents in the second quarter of this year. Fourth-quarter prices are projected to be stronger as well, rising to 74 to 77 cents per dozen—up 1.3 percent from the previous quarter.

Dairy—Dairy production is projected to increase 2.5 percent in the third quarter of this year from the same period last year. Output during the last three months of 1981 is expected to slow somewhat, increasing only 0.6 percent from the same quarter in 1980.

Wholesale dairy prices remained fairly stable from January through September of this year, increasing only 0.5 percent. Most of this gain occurred since June because seasonal factors have resulted in lower month-to-month gains in production. According to U.S. Department of Agriculture economist Cliff Carmen, the mandated increase in dairy price supports in October will probably cause wholesale prices to rise three percent.

Although the information in this article is as up-to-date as possible at the time of publication, readers should be aware that prices and supplies of many commodities can change rapidly.

CREST REPORT

Customer traffic increases for second consecutive quarter

Highlights

- **Customer traffic in the nation's restaurants increased during the summer quarter—up 5.6 percent from the same period last year.**
- **The number of families returning to the eating-out market continued to grow. Consumers were eating out more frequently—particularly at family restaurants.**
- **In the summer quarter, CREST restaurant sales posted the largest gain in over two years, increasing 17.7 percent from the same period in the prior year.**
- **Promotions were responsible for 8.1 percent of the meal occasions during the summer quarter compared with 7.8 percent of the occasions last summer.**
- **Family restaurants and coffee shops had the largest gains in customer traffic, increasing 11.6 percent and 8.8 percent, respectively.**
- **Customer traffic rose for each meal occasion in the summer quarter. Breakfast was responsible for the largest gain—up 11.7 percent.**

Customer traffic in restaurants increased for the second consecutive quarter, signaling improved economic health for the industry. Traffic for the summer quarter including June, July and August was up 5.6 percent from the same period in 1980. This rise is the largest gain in over two years, according to the CREST report. The 5.6 percent gain in customer counts was slightly higher than the 5.3 percent advance experienced during the spring quarter. Traffic increased at all types of restaurants as well as for

each meal occasion.

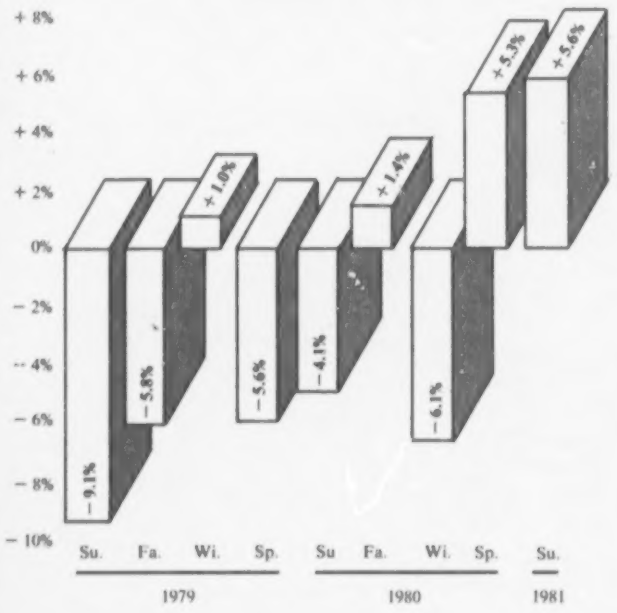
The Gallup "Monthly Monitor of Eating Out," which tracks consumer behavior in the eating away-from-home market, reports similar findings. Thirty-seven percent of the people interviewed in the Gallup survey reported they had eaten out at least once during the preceding day.

These survey results are significant because they indicate a slight increase above the 36 percent level recorded during the summer quarter of 1978 when the industry experienced strong growth. The traffic gains during the 1981 summer quarter recouped some of the losses experienced during the past two years, but overall patronage is still not back to its 1978 levels.

Economic factors affect eating habits...

The strong advance in customer traffic during the summer quarter can be attributed to several factors. Vacation travel increased this summer after two years of a relative slowdown in travel which was due in part to a shortage of gasoline and high gasoline prices. (See article in this issue on travel and eating out.) Adequate gasoline supplies and relatively stable prices this summer encouraged people to take vacations again.

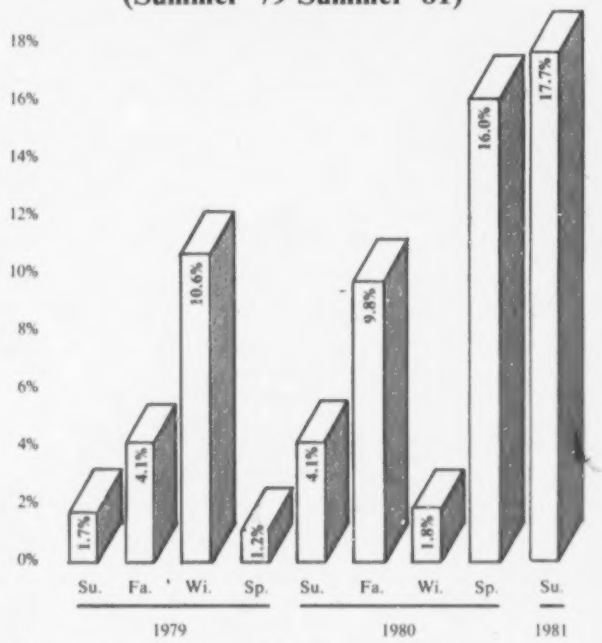
Percent change in quarterly customer traffic (Summer '79-Summer '81)



*Percent Change is from same month in prior year
Source: CREST

Another factor that may have caused consumers to visit restaurants more frequently this summer was the relative improvement in economic conditions. Inflation, as measured by the Consumer Price Index, slowed to 10.4 percent during the first eight months of this year, compared to a 14 percent increase during the same period last year. Strong growth in real disposable personal income meant consumers may have been willing to spend more

Percent change in quarterly CREST sales (Summer '79-Summer '81)



Sales based on total U.S.; average for 2-week period each quarter
Source: CREST

on discretionary items such as eating out.

However, consumers are still faced with record high interest rates and a decline in personal wealth due to stable real estate values and a decrease in stock and bond prices. In the past, economic conditions such as these have been detrimental to our industry.

President's economic policy may boost industry...

The tax cut which was effective Oct. 1, 1981, may be beneficial to the restaurant industry because it will eventually increase consumers' disposable personal income. NRA will continue to monitor the economic situation and report any significant development.

Considering the variety of economic activities affecting the industry, NRA predicts modest improvement in the restaurant industry in 1981 with commercial restaurants experiencing a real sales (adjusted for inflation) gain of about 1.0 percent following a 1.5 percent decline during the previous year.

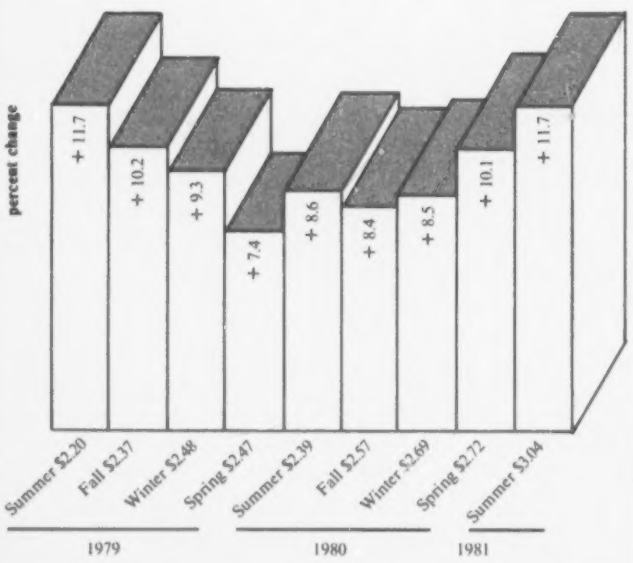
Families dine out more frequently...

During the summer quarter, both the number of families who went out to restaurants and the frequency with which they ate out increased. The average number of times customers visited restaurants increased 2.9 percent during the June, July, August period, and the proportion of families eating out rose 2.3 percent. These two factors contributed to the rise in restaurant customer counts.

When the average number of visits is analyzed by restaurant type, most of the gain can be attributed to a 6.6 percent increase in the number of visits to family restaurants. Families were also eating out more often at other types of restaurants.

The number of visits to fast food restaurants increased 1.8 percent and visits to cafeterias increased 1.0 percent. Atmosphere/speciality restaurants experienced the slowest rise in the number of visits during the summer quarter—up only 0.4 percent from the same period a year ago.

**Average per person check*
(Summer '79-Summer '81)**



*Based on average two-week period

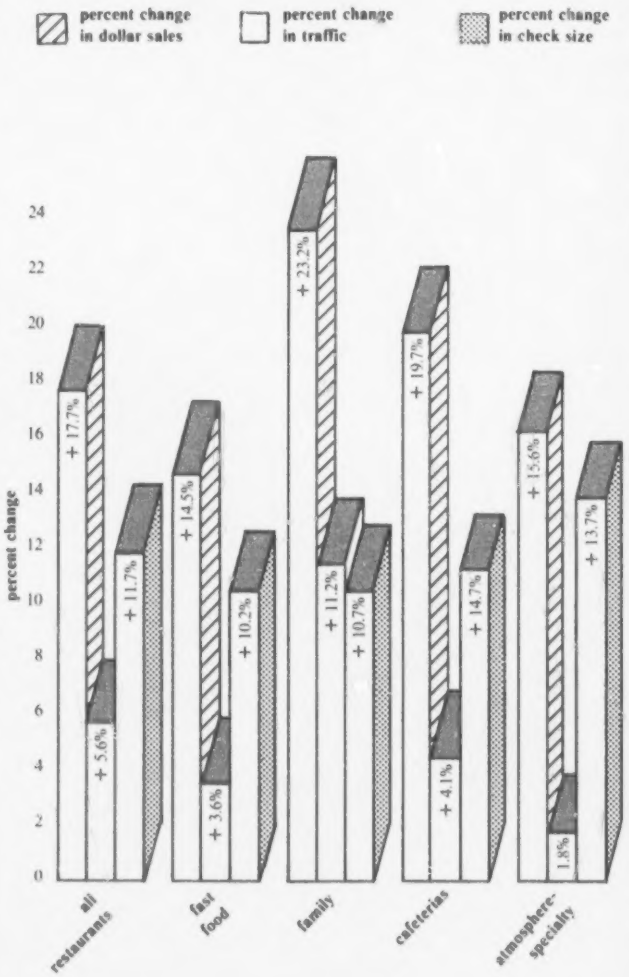
Source: CREST

Industry sales post largest gain in two years...

Industry sales this past summer posted the second consecutive period of strong growth. The 17.7 percent gain reported in the most recent CREST period surpasses the 16 percent advance during the spring quarter. This rise is the largest sales advance in over two years.

The average expenditure for a restaurant meal or snack (eater check size) increased 11.7 percent for all restaurants compared to a rise of 10.1 percent in the previous quarter. The advance in the summer quarter may be the result of changes in the number and type of menu items ordered by patrons. CREST information indicates con-

**Summer quarter performance by
select restaurant type**



Source: CREST

sumers ordered more menu items as well as more expensive ones.

Promotional activity continues at a high level...

Restaurant operators are continuing to use promotions as a means of increasing customer traffic and building repeat business. In the summer quarter, 8.1 percent of the meals consumed away from home were attributed to promotional activities. This is up 0.3 percent points from the same quarter last year.

Fast food and family restaurants use promotions more frequently than other types of restaurants. During the summer quarter, promotions were responsible for a similar proportion of fast food restaurant meal occasions as in the summer of 1980—9.8 percent. At family restaurants promotions were responsible for a larger proportion of meal sales than the same period last year—8.4 percent during the summer quarter compared to 7.7 percent during the same period in 1980.

Traffic increases at all restaurant types...

The recent CREST survey indicates that customer traffic increased at all restaurant types. Family restaurants and coffee shops posted the largest gains.

As already stated, more frequent visits by families, as well as an increase in the number of families eating out, contributed significantly to the gain for these two restaurant categories.

Promotional usage at these restaurants types was also up in the summer quarter from the same period a year ago and may help to account for the improved performance.

Customer counts at family restaurants increased 11.2 percent in the summer quarter over the same period a year ago. This rise follows strong spring quarter gains of 8.3 percent. Family visits to these restaurants advanced 6.6 percent during the summer quarter compared to the same period a year ago.

The per person check size for family restaurants rose more slowly than the average for all restaurants in the June-July-August period—10.7 percent compared with the 11.7 percent average for all restaurants.

Promotional campaigns proved significant at family restaurants during the summer quarter, accounting for 8.4 percent of the occasions. Both the moderate increase in check size and continued use of promotions may have increased the consumers' perceived price/value relationship of a meal at family restaurants and probably contributed to the strong increase in traffic.

Fast food traffic up...

Traffic at fast food restaurants increased 3.6 percent in the summer quarter from the same period in 1980, but the increase was more modest than the 9.9 percent advance experienced in the spring. Previous gains in fast food traffic counts have been attributed to consumers 'trading down' to lower-priced outlets, however, now moderately priced restaurants appear to be benefiting from 'trading up' by consumers.

Also contributing to the traffic increase was a return to the eating-out market by some families that previously could not afford to eat out. CREST researchers believe, however, that some lower-income and blue-collar families who would have patronized fast food restaurants dropped out of the eating-out market during the summer. The effect of lower patronage by these groups contributed to the moderate rise in customer traffic at fast food establishments.

Cafeterias and coffee shops experienced an increase in customer traffic in the summer quarter. This gain was the first advance for cafeterias since the winter quarter of 1979. During the summer period, customer counts were up 4.1 percent at cafeterias from the same period a year ago.

Coffee shops experienced a stronger advance of 8.8 percent. Older persons and those in higher income categories tend to eat out at these restaurants more often. Analysis of the CREST data has shown that these consumer groups continued this trend in the summer quarter also.

The proportion of families eating out at cafeterias and coffee shops also rose. A rise in the number of families patronizing coffee shops contributed significantly to their improved performance during the summer quarter.

Atmosphere/specialty restaurants show smallest increase in traffic count...

Among the five restaurant categories, atmosphere/specialty restaurants posted the smallest advance in customer traffic in the most recent CREST quarter. Traffic increased only 1.8 percent from the same period a year ago. The average check size in atmosphere/specialty restaurants, however, rose at a faster rate than the average for all restaurants—13.7 percent versus the 11.7 percent average. This increase, along with a decline in promotional usage to 7.7 percent of the occasions from 9.7 percent in the prior spring quarter may have reduced the consumers' perceived price/value relationship of a meal at atmosphere/specialty restaurants and contributed to the slower gain in traffic.

Traffic increases for all meal occasions...

Traffic increased for each meal occasion during the summer quarter. Breakfast experienced the largest gain, up 11.7 percent. Customer counts at the morning meal have increased in all but one of the past eight quarters. Breakfast was the only meal to experience growth during the industry's slow periods in 1979 and 1980.

The strong gain in breakfast traffic during the most recent CREST quarter indicates this growth will probably continue. The advance in the June-July-August period is primarily the result of more families eating out for breakfast.

During the summer quarter, supper traffic increased seven percent over the same period in 1980. Families continued to return to the eating-out market for the evening meal in the June-July-August period. Frequency of visits for supper advanced 5.6 percent, indicating that families were eating out more often.

During the summer quarter, supper experienced one of the slowest gains in average check size for any meal—up 10.3 percent. This moderate rise in check size along with a high incidence of promotional usage may have increased the consumers' perception of the price/value relationship for the evening meal and probably accounts for the rise in the number of families eating out for supper.

Customer counts for the noon-day meal advanced 4.5 percent in the CREST summer quarter from the same period a year ago. This increase represents the second consecutive quarter of increased traffic for lunch. More families were eating out for lunch during the summer quarter, which accounted for much of the growth in traffic.

Snacking occasions also experienced a rise in customer traffic—up 2.5 percent from the same quarter in the prior year. This rise follows a strong 5.3 percent gain in the previous spring quarter. The increase in the summer quarter is primarily the result of more families snacking away from the home.

CREST (Consumer Report on Eating Share Trends) monitors customer behavior in the commercial sector of the foodservice industry. NRA reports quarterly on CREST behavior on sales trends in six categories of restaurants: (family, fast food, cafeteria, coffee shop, atmosphere/specialty and take out). Reporting on these trends aids the restaurateur in evaluating his own results against those for similar types of operations.

Executive compensation study being revised

NRA key members are reminded to fill out the executive compensation survey sent out by NRA in mid-September. Results will be used to update the 1979 study on executive compensation and benefits conducted in cooperation with Laventhol & Horwath.

The 1979 *Executive Compensation and Benefits in the Foodservice Industry* is a valuable tool for restaurant operators, providing them with an objective review and analysis on executive compensation packages.

Each NRA key member is urged to fill out the survey and return it to Laventhol & Horwath. If you have any questions, please contact NRA's research department in Washington, DC, or call (202) 638-6100.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, a great deal more is available, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, are chosen to reflect the U.S. and participate in the study. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it allows an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. Step 1 requires a daily entry for each meal during the two-week period for each household member. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops, or eating places inside variety stores, or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges, or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact NPD Research Inc., 9801 West Higgins Road, Rosemont, IL 60018.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on, etc. It will not tell people's attitudes toward a particular issue. It will, because it is an ongoing study, allow comparison against a standard or the development of trend analysis, and enable the operator to make decisions based on documented trends rather than casual observation.

Americans increase their taste for wine

The information presented in this article will be helpful for operators whether planning an advertising and promotional campaign featuring wine, or trying to decide if wine should be added to their menu.

Over the past decade, per capita* wine consumption in the United States increased from 1.3 gallons in 1970 to 2.1 gallons in 1980 — a gain of 61.1 percent.

Although an increase in the number of sophisticated beverage consumers and preference for lighter alcoholic beverages have contributed to this gain, wine consumption varies significantly by age, sex and income level. People age 35 to 54, individuals from high-income categories and females tend to order wine more frequently when dining out.

California ranks first in wine consumption...

The District of Columbia, Nevada and California have the highest per capita wine consumption in the U.S. (See chart.) Of the three, California is often ranked first for resident per capita wine consumption, because a large portion of the wine sold in the District of Columbia and Nevada is bought by non-residents.

Per capita wine consumption increased in all 50 states between 1970 and 1980. Idaho experienced the most rapid growth of 304.5 percent, followed by Maine at 300 percent and Montana at 255 percent.

Although California ranks third in per capita wine consumption at 4.41 gallons, wine consumption in other western states is also above the U.S. average of 2.11 gallons — Nevada at 5.01 gallons, Washington at 3.17 and Oregon at 3.10.

In the southern region, Mississippi, Arkansas, Georgia and North Carolina are among the states with the lowest per capita consumption of wine. Mississippi has one of the smallest per person consumption figures in the U.S. at only .61 gallons, followed by Arkansas at .69, Georgia at 1.19 and North Carolina at 1.25 gallons.

Results from the SIP (Share of Intake Panel) study, conducted for *Impact Newsletter* by National Family Opinion, Inc., also found that wine consumption was highest in the western region, accounting for 32.2 percent of total wine consumption in the U.S. during the first six months of 1980, while the southern region accounted for a relatively low 21 percent share.

Wine consumption increasing at restaurants...

Wine consumption at restaurants has been increasing. In the first six months of 1980, restaurants accounted for 11.3 percent of wine consumed, up from 8.1 percent in the same period in 1979. The proportion consumed at bars declined in the same period, falling from 5.0 percent in the first half of 1979 to 3.5 percent in the first half of 1980.

States with largest per capita wine consumption 1970 to 1980

State	1970 per capita consumption	1980 per capita consumption	percent increase
District of Columbia	3.94 gallons	6.49 gallons	64.7%
Nevada	3.01	5.01	66.4
California	2.93	4.41	50.5
New Hampshire	1.43	3.73	160.8
Rhode Island	1.78	3.37	89.3
Washington	1.80	3.17	76.1
Oregon	1.83	3.10	69.4
Vermont	1.74	2.95	69.5
Colorado	1.41	2.94	108.5
New Jersey	1.76	2.94	67.0
U.S. Average	1.31	2.11	61.1

Source: *Wines & Vines*, July 1981 (Reprinted with permission.)

The SIP study indicates that most wine is consumed at home, however, these figures are declining as more restaurants add wines to their menus. In the first six months of 1980, 64.5 percent of total wine consumption occurred at home compared with 66.7 percent during the same period a year earlier.

The largest share of wine consumed outside of the home, other than that consumed at restaurants and bars, occurs at parties or at other people's homes. Consumption on these occasions increased from 14.7 percent in the first six months of 1979 to 16.2 percent in the same period in 1980.

When people drink wine...

Wine is more popular at dinner than lunch. Forty-two percent of total wine consumption occurs at dinner while lunch accounts for only 8.9 percent of wine consumption. Snacking occasions, which include the cocktail hour, accounted for 16.2 percent of total wine consumption. The evening hours accounted for a significantly larger 32 percent share. Breakfast accounts for the smallest proportion of wine consumption by meal occasion at one percent.

*The per capia consumption figures presented in this report are based on the 1980 resident population of the U.S. and include all age groups. They are not comparable with those presented in the September 1980 *Foodservice Trends* which were based on the legal drinking age population only.

Results from the NRA consumer attitude survey, *Attitudes Towards Alcoholic Beverage Service in Restaurants*, also revealed that most restaurant wine consumption occurs at the evening meal. Seven percent of the respondents reported they nearly always or occasionally drink wine at lunch, however, over three times this number, 25 percent, said they nearly always or occasionally drink wine at dinner.

Wine consumption varies by sex and age...

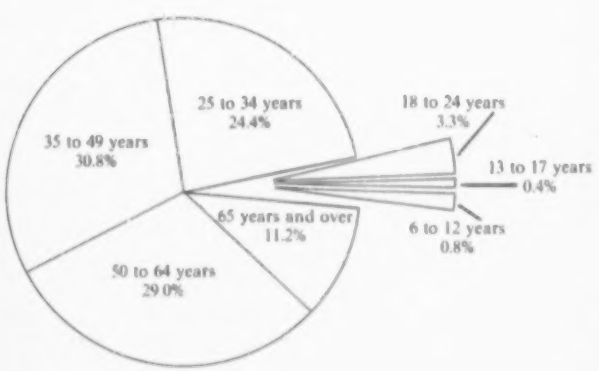
The results of an NRA/CREST study on the demographics of menu items ordered reveal that females tend to order wine more often than males when dining out. Women order wine on 54.5 percent of the occasions while men order it only 45.5 percent of the occasions. The SIP study confirms this trend. In the first six months of 1980, females accounted for 51.6 percent of total wine consumption compared to only 48.4 percent for males.

The NRA consumer survey also found that females tend to order wine more often than males, particularly at dinner. Twenty-seven percent of the female respondents reported they nearly always or occasionally order wine at dinner compared with 24 percent of the male respondents.

People age 35 to 49 order wine more often in restaurants than any other age group. (See chart.) This age group accounted for 30.8 percent of the wine ordered in restaurants. The NRA/CREST study also found that people from white-collar households whose incomes are $30,000 and over order wine more frequently than people from families with other occupations and lower income levels.

Findings from previous consumer research conducted in this area revealed similar patterns. People age 35 to 54 and households with an income of $25,000 and over were found to be much more likely to order wine when dining out than younger persons and those from households in lower income categories.

Percent of restaurant occasions on which wine was ordered by age group



Source: NPD Research Inc., Crest Family Diary Panel, winter and spring quarters, 1981

NRA Industry Index

Retail sales ($000,000)	Aug. 1981	Percent vs. year ago	Year to date sales 1981	Percent change vs. year ago
All retailers	$88,689	+8.5%	$674,496	+10.5%
Eating and drinking places	8,502	+7.3	63,109	+10.4
Food stores	19,872	+4.0%	155,896	+9.6

Source: Bureau of Census, unadjusted data, subject to revision

Consumer Price Index (August 1981)	percent change vs. August year ago	Percent change 1981 to date vs. year ago
Food at home	+6.4%	+9.0%
Food away from home	+8.9	+9.4
All items less food	+11.6	+10.8

Source: Bureau of Labor Statistics

Eating place indicators ($000,000)	July 1981	Percent change vs. year ago	Year to date sales	Percent change vs. year ago
Eating place sales	$7,529	+11.5%	$48,413	+10.9%

	Percent change vs. year ago	Percent year to date vs. year ago
Real eating place sales (July)	+2.3%	+1.4%

Sources: Bureau of Census, Bureau of Labor Statistics, NRA calculations, subject to revision.

Employment and earnings	July 1981	Percent change vs. year ago
Total employment	4,898,700	+2.6%
Non-supervisory	4,520,400	+3.0
Non-supervisory average hourly earnings	$3.92	+6.5
Average weekly hours	26.9	+0.7

Source: Bureau of Labor Statistics

AT YOUR SERVICE

Foreign tourism in U.S. increases

The number of foreign tourists visiting my restaurant continues to increase. Can you provide some tips to help me serve them better?

In 1980, the U.S. experienced a record increase in the number of international visitors. Approximately 22 million foreigners visited our country last year—an 11 percent gain over the previous year. Excluding air fare, foreign tourists spent more money in restaurants and other dining places than on any other travel expense.

Expenditures by international travelers in the U.S. during 1980

Food	24%	$2.4 billion
Incidentals	23	2.3
Transportation	20	2.0 (in U.S. only)
Entertainment	17	1.7
Lodging	16	1.6

Restaurant operators, attempting to attract and serve foreign guests, can provide a more hospitable atmosphere for this special group of patrons. Alleviating any problems posed by language barriers is an excellent starting point.

- Provide multi-lingual menus or a menu translator—university language departments and local language clubs may provide translations for free.
- Teach employees a few basic phrases in foreign languages.
- Learn what your foreign guests have been eating since their visit began and suggest new menu items.
- Attempt to hire at least one bilingual employee.
- Contact local municipal and highway officials to obtain multi-lingual direction signs for your restaurant.
- Provide city maps and city guidebooks which you can obtain by writing your local Chamber of Commerce.
- Finally, management staff should make a special effort to personally greet and welcome the international guest.

The following data on 1980 and 1981 foreign tourists broken down by country may assist restaurateurs in the planning and acquisition of multi-lingual material. Keep in mind, however, that these figures represent overall tourist travel by foreigners in the U.S. For data on foreign arrivals relative to your geographic area you should contact local or state tourism offices.

For additional information on foreign travel, service and menu translations contact the Information Resource Center at the National Restaurant Association in Washington, D.C.

Major foreign visitors to the U.S. by country 1980 and 1981 foreign arrivals

	1980	percent change*	1981	percent change*
Canada	11,360,000	+6%	11,700,000	+3%
Mexico	2,700,000	+17	3,000,000	+11
Overseas	8,100,000	+16	9,040,000	+11
Europe	3,550,000	+15	4,000,000	+13
U.K.	1,300,000	+30	1,480,000	+14
Germany	705,000	+18	790,000	+12
France	400,000	+23	460,000	+15
South America	1,250,000	+23	1,530,000	+22
Venezuela	490,000	+26	612,000	+25
Asia	1,980,000	+15	2,130,000	+8
Japan	1,175,000	+15	1,280,000	+9
Other Overseas	1,320,000	+6	1,380,000	+5

* increase over previous year

BILL OF FARE

Merry Menus

Plan holiday spirit and Christmas cheer in your restaurant

Christmas. The very word is exciting. Almost no other word in the English language can conjure up so many emotions. Everyone seems to be vulnerable to the delightful power of the holiday season, and any restaurateur worth his salt will rise to the challenge of helping guests enjoy the yuletide spirit to the fullest.

The holidays are an opportune time to experiment with new menu ideas, create fanciful decorating motifs, add unusual drinks, give special, unexpected treats and generally spread good tidings. Of course, increased profits will add to the cheer.

Start by creating a holiday mood by decorating. When you think Christmas, think bright colors, particularly red and green. Fortunately, food and drink also lend themselves to the holiday colors. (Just think what a predicament you would be in if blue were a Christmas color.)

We'll talk more about decorating with food later, but now let's concentrate on non-edible items and creating a holiday atmosphere in your restaurant. Mistletoe is always a popular item. It sets a pleasant mood, it's inexpensive and the colors are perfect. Display it generously. Chances are that you're already placing candles on the tables. During this season, be sure that all the candles are red and green. Don't forget holly on the tables.

Give children a chance to decorate...

Make your Christmas tree special. There's a lot of promotional mileage to be had here. You could set aside a section for children to work on making ornaments to hang on the tree. While the little ones are happily occupied, their grateful parents can have a moment to relax over cocktails before lunch or dinner. You'll end up with a tree decorated with ornaments that couldn't be purchased at any price.

You can also hang colorfully printed gift certificates on the tree. Assume open pride in your tree and encourage guests to inspect it.

Your restaurant's specialties, such as desserts, soups or chili, make great gifts. Many idea-weary shoppers will welcome the gift suggestion and be grateful that one more task can be completed so painlessly. Package gifts in holiday cartons with a gift card stating your restaurant's name and address. Empty colored cartons can be hung on the tree or placed under it to add to your decorating motif.

Let everyone know that the holiday season is special to you. Offer special items on the menu to help guests celebrate the season. If reprinting the entire menu is too expensive, use gaily printed table tents listing your holiday treats. Or even less costly than that, merely instruct your waiters and waitresses to mention the specials at each table.

You might even have your special holiday recipes printed up on Christmas cards.

Meals with a color scheme...

When promoting your holiday business, don't overlook breakfast and brunch. Saturday has always been a popular shopping day, but now more and more people are also spending Sundays in the stores.

A holiday brunch is a great start to a busy day. Tailor the menu to fit the festive occasion. Introduce seasonal drinks like eggnog and champagne. Turkey hash with cranberry sauce, turkey or ham-filled crepes and oven-baked apple pancakes are all possibilities. For the pancake, simply bake batter with spiced apples in a hot oven. Complement it with Canadian bacon and preserves.

Be sure to have a good selection of warm breads and rolls on hand. Nut breads, fruitcakes, cranberry muffins and apple muffins are just a few that are well-suited for the occasion.

Many people who will want to try your special desserts are inhibited by their calorie content. A special salad made with just red, green and white vegetables will satisfy their taste buds and look especially festive. Use spinach instead of lettuce because the color is brighter. Use cherry tomatoes, red peppers, radishes and cranberries, green peppers and asparagus. And for a dash of white, use cauliflower, hard-boiled eggs, onions and a creamy, white dressing.

A hot meal that would satisfy the same dietary concerns is an omelet with tomatoes and green peppers. Use parsley freely.

Don't forget the cheer...

You might want to feature a special Christmas happy hour with cocktails between three and five o'clock. Also have these cocktails available with lunch and dinner.

Drinks made with colorful beverages like cranberry liquor, sloe gin, green Chartreuse and Galliano will be a hit. Names like Yule Log, Santa's Helper, or Top of the Tree add to the spirit of Christmas.

Experiment with these drinks during the holidays. If you find a customer ordering the same drink more than once, you know it is more than just the name and bright colors. The names can always be changed and served at other times of the year.

Added extras might include a bowl of nuts with a nut cracker at each table.

What about dinner during the season? The holidays provide chefs with wonderful opportunities to explore and expand their repertoire. An elegant feast is just waiting to be created.

Christmas extras for staff and guests...

All of your holiday planning should be done with the idea of giving and creating goodwill. A special surprise treat not mentioned on the menu will contribute to the general feeling of festivity. Colorful candies or cookies will add that special touch.

Don't forget your employees at Christmas. You can offer them a gift certificate for a neighboring restaurant. And invite local restaurateurs to do the same at your restaurant. Extend the feeling of good cheer to everyone. A waiter or waitress with true holiday spirit can set the mood of the meal.

TRENDSETTERS

Labor Force 1990

Industry employers search for education, experience, commitment and business orientation

In 1980, the foodservice industry employed eight million people in full and part-time positions. By 1990, it will employ 7.8 million individuals in full-time positions alone.

Although human resources have long been accepted as one of the critical areas of restaurant management, the scope of employment concerns will no doubt take on new dimensions during the next decade.

1984, although not the ominous world portrayed by George Orwell, is almost upon us and with it is coming what some sociologists call the "people problem" but what industry prefers to label "employment opportunities."

The concern is not quantity but quality, according to personnel placement specialists in the foodservice industry. Recruiters say they are looking for a new breed of entry-level employees qualified to undertake management positions in the ever expanding list of restaurant formats which have developed during the past few years. Classified ads are demanding education, experience, commitment and business orientation from perspective managers.

"There's been somewhat of a change in the degree of sophistication demanded of employees," explained David Roth, president of Roth Young, an executive recruitment firm based in New York. "Entry-level managers in the foodservice industry are more educated. I don't mean they have master's degrees, but they are going to school to become specialists."

Education, however, still doesn't count as much as experience with today's restaurant operator, Roth explained.

Jay MacDermott, director of hospitality for Baxter Reynolds Personnel Consultants, Inc., Hartford, CT, agrees. He says the emphasis is now on experience, though companies look for HR&I school graduates as a sign of commitment to the industry.

"Generally, we don't look for people just graduating from schools," says MacDermott. "We like them to have at least two years experience."

More than just experience, Joseph Randazza, manager of fast food and business and industry for Fortune Personnel Hospitality Food Service Consultants, NY, seeks individuals who can become business managers with more than hands-on experience.

A recent change from traditional management, the new candidates offer business degrees and entrepreneurial sense. Randazza says the applicant for the restaurant job also must change the way he or she thinks about the industry.

"The industry is starting to use sophisticated business systems," Randazza explained. "Employers are more interested in entrepreneurs than in technicians. And companies are looking for people who have chosen this industry.

"From an entry level position, the most marketable individual is one with a degree in hotel, restaurant or business management," he continues. "But more important—does the candidate understand the industry? We're concerned with the individual's level of commitment."

George Alley, an associate professor in the Rochester

by Elise Tinsley

Institute of Technology's School of Food, Hotel & Tourism Management, complains that the fundamental problem is convincing the general population, from high schools through the mainstream work force, that the industry exists as an industry.

Alley contends that the reason operators have trouble finding the people they need—at all levels—is that the restaurant industry is looked upon as a third choice in the work scenario.

Joseph Randazza of Fortune Hospitality says he spends a lot of time convincing prospective job applicants that operating a fast food restaurant is the same as running any million-dollar business. "The problem is that most people look at a fast food operation from a customer's perspective," he says.

Alley believes the industry is undermined by seemingly unshakeable stereotypes, as well as by the U.S. government. "The government is at fault in its reports," he explains. "To a lot of people, the food business only means cooks. Rarely, if ever, do government reports mention management.

"Another thing that complicates the issue is that the government has changed the nomenclature," he continues. "It has thrown all food management under the broad category of home economics. If students look for careers in food management and see it listed under home ec, they'll get turned off."

A campaign aiming at the grass roots—particularly at high schools—is vital to the continued growth of the industry, which will be in dire need of qualified personnel throughout the 1980s, says Alley.

The films and brochures that the National Restaurant Association is preparing are a good beginning. The NRA lobbying effort aimed at getting the government to reclassify foodservice management courses is also a step in the right direction. But changing the image of an industry has to involve an effort of that industry as a whole.

"This is a good industry," argues Randazza. "People are very well compensated."

"In the next few years I think turnover will be lower because people will see more clearly that the industry has stabilized. They will find niches and stay in them," he says. "The problem that must be overcome is investment in people. Many operators will spend $2,000 to $3,000 to change a concept in their restaurant, but they won't spend money on management. They have to learn how to increase the bottom line through management."

The context changes as do the needs over the years. But problems continue. As people-oriented and personnel-intensive industry, foodservice must approach its human resources with the same sophistication it brings to business practices. Machines can't walk out of an operation— at least not on their own. Without proper attention to finding and keeping quality employees, restaurateurs may find themselves with the rudiments of operating and no way to make it work.

College enrollment in HR&I programs increases

More college-trained people than ever will be managing the foodservice industry in the 1980s, according to a study conducted jointly by NRA and the National Institute for the Foodservice Industry.

Graduation from foodservice and hospitality management programs was up over 60 percent from 1977. Projections indicate that the trend will continue during the next three years.

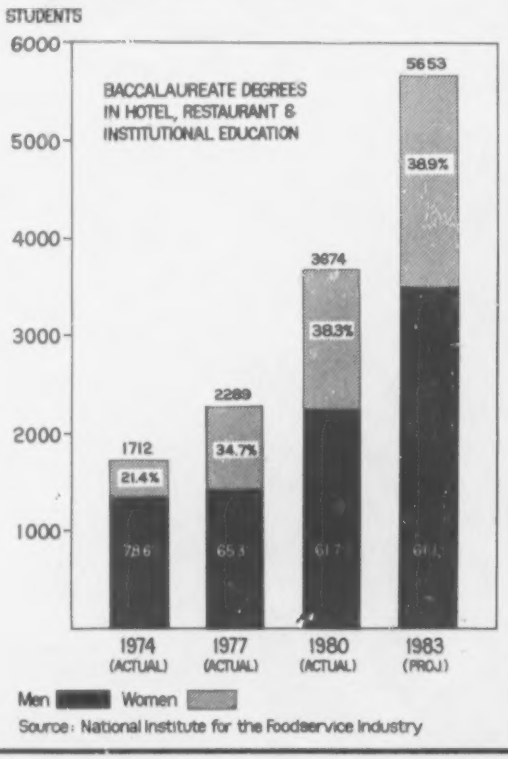
In 1977, 73 colleges and universities offered degrees in the hotel, restaurant and institutional management field awarded baccalaureate degrees to 2,289 persons. In 1980, 84 schools graduated 3,674 students.

The survey predicts a 53.9 percent increase in the number of graduates between 1980 and 1983.

In the next three years, the number of graduates is projected as follows: 1981-4, 148; 1982-4, 942; 1983-5, 653.

More women are earning baccalaureate degrees in foodservice and hospitality. The ratio of men to women graduates in 1980 was 61.7 percent male to 38.3 percent female. In 1977, the graduating classes were comprised of 65.3 percent men and 34.7 percent women. In 1974, the proportion was 78.6 percent male and 21.4 percent female. This trend will continue, but at slower pace, in the 1980s.

The NRA-NIFI survey indicates that there are currently 13,963 full-time students at four-year colleges. This compares with 10,361 full time students in 1977.



TASTEMAKERS

Self awareness—an asset for restaurant management

It's not hard to find a restaurant manager who has had days when he wanted to stick his head—instead of a chocolate souffle—in the oven, or one who'd rather throw a tomato than slice it. Days like that are only natural, particularly in a business as demanding and challenging as foodservice.

According to Drs. John Batrus and Lewis Hollweg, management consultants to industry and leaders of a management personal effectiveness workshop for restaurateurs, the most successful managers are those who are equipped to deal with job-related stress. They are managers who are also aware, alert, energetic, sensitive and flexible.

"Managers set the tone for the entire restaurant," Batrus explained. "How the operation runs has a lot to do with how well a manager is able to read himself and relate to his staff."

Personal goals are met through awareness...

Awareness and communication are two of the most important skills for personal effectiveness, stressed Hollweg at a two-day workshop in Dallas, TX, last month. Self awareness, active expression, active listening and stress management are the keys to achieving work, family and personal goals, explained Batrus and Hollweg. They stress that managers must

1. be responsible for their actions
2. deal with aggression and emotions
3. motivate others
4. relate feelings
5. convey intimacy and
6. encourage cooperation.

"It's a pretty tall order," Batrus admitted. "But after going through the workshop, most of us realize we're already...wonderful human beings."

Batrus pointed out four kinds of knowledge which lead to self awareness: knowledge of self, knowledge of others, knowledge of how others see us and knowledge of how we see others. Each affects the way we perceive ourselves and those around us, he explained.

Dealing with negative feedback...

"Everyone must learn to deal comfortably with both positive and negative feedback," he added. "Too many folks have an unreasonable need for approval. If you feel good about yourself, you won't need four million people to tell you that you're okay."

"Once you accept yourself," Hollweg noted, "you'll have an easier time accepting and understanding family, friends and co-workers."

"The problem of personalization is one we see time and time again," Batrus commented. "Many people assume that because someone doesn't like their decision or actions, they don't like them."

Workshop participants are encouraged to find out exactly what someone else is thinking. "Get an explanation; ask questions," Hollweg urged. "Know why the other person made a particular decision or reacted in a certain way. It's up to the manager to facilitate communication within a restaurant."

Two of the most critical phrases a person can master are "I think" and "I feel." According to Batrus, it's the "I" that's most important.

"The only ones who can get away with using the pronoun 'we' are the Pope and someone with tapeworms. For everyone else, effective communication

requires a clear identification of who is doing the thinking and feeling," he said.

Other ingredients for active expression are well-defined objects and an accurate inquiry. Common errors in expression include

- generalization—assuming one experience holds forever
- mindreading—assuming knowledge of others' feelings and thoughts
- Cassandra—anticipating failure and
- presupposition—misplacing cause and effect.

For practice and reinforcement of these principles, Batrus and Hollweg asked workshop participants to find the mistakes in such common statements as "You've got to play ball in this company," and "It's not fair." In the first case, a manager will get better results with "I think teamwork is important to successfully reduce labor costs." For phrase two, they might try "I feel frustrated because every employee isn't taking his turn working the late shift."

Essentially, what should occur is that the manager must

1. take responsibility for his thoughts and feelings
2. be specific
3. not make an accusation
4. encourage feedback and
5. not make assumptions.

"One of the best things a manager can do for himself and his employees is to get friendly with his feelings," Batrus said. "Feelings can be an ally or enemy. Why not use them to your best advantage?"

Feelings are important on the job...

He also pointed out a common complaint of employees—"Management just doesn't care." "This goes back to a long-standing belief in many companies that feelings don't belong on the job. Facts and figures are much less risky and far more important," Batrus pointed out.

It's easier to motivate when management pays attention to feelings," Batrus added. "It's an extra dimension that carries incredible weight."

According to Hollweg, a good communication system encourages all kinds of feelings. "The earlier you identify a problem, the simpler it is to solve."

A basic yet critical point is to always ask for what you want. "Be careful about what you take for granted. Be clear and open about your goals, needs and feelings. And don't hesitate to make an accuracy check. It's as easy as asking, "What did you hear me say?"

Cutting through misconceptions...

Misconceptions occur because everyone carries his or her own "map" of the world, explained Hollweg. Genetic make-up, family upbringing and cultural forces are all influential.

"Try to understand the shape and balance of your own map," he advised. "And remember, the cause of many communication problems is simply a different perception of events."

What are some common pitfalls to watch? Batrus and Hollweg have come up with a list of what they call "hobblers and sappers"—ways of hindering your talents and sapping your energy.

- **All-or-nothing thinking**

  Life is rarely all one way or another. All-or-nothing thinking forms the basis for perfectionism—which few, if any, can live up to. Why set yourself up to fail at your own exaggerated expectations?

- **Overgeneralization**

  Don't arbitrarily conclude that just because something happened to you once, it will happen over and over again.

- **Mental filter**

  You pick out negative details in a given situation and dwell on them exclusively. Naturally, everything else appears negative.

- **Emotional reasoning**

  You take emotions as evidence for the truth. It's a self-fulfilling prophecy: "I feel like a failure, therefore, I am a failure."

Other hobblers and sappers deal with jumping to conclusions, labeling, guilt and minimizing the positive. Each, in its own destructive way, reduces one's job performance.

Still another important skill managers can develop is active listening. "When you reflect a feeling back to the giver, you're showing you care about his point of view," Batrus said. "It instantly breaks any cycle of accusations."

Hollweg added, "You can't continue to fight with someone if they're trying to understand you."

There are, however, a number of ways a listener does communicate non-acceptance. According to Batrus, each is guaranteed to put an end to any conversation. Among the most common are responses that

preach—you ought to...
blame—you're wrong...
order—you have to...and
threaten—you better not....

More sure turn-offs are lecturing, interpreting and name-calling.

"You can't solve a problem until you cut through the emotional part," Batrus said. "People communicate more than just words or ideas. Managers should try to look and listen for the feelings behind the verbal message."

Again, sensitivity is the issue. "Whether you're dealing with staff or customers, an effective communicator is aware of what's going on inside himself," Batrus stressed. "He's allowed himself to undergo a lot of different feelings. He's able to understand what others need by relating it to his own experiences.

"It's this emotional contact that motivates employees and encourages hospitable behavior. It's what makes people tip and what gets them to return to a restaurant," he explained.

Hollweg added, "If the tone of the operation is up, you can change the attitude of even the most surly customer."

HOT OFF THE PRESS

Industry operations report released by NRA

In a joint effort by the international accounting firm Laventhol & Horwath and NRA, the long awaited report, *Restaurant Operations Report 81,* has just been published. The results of this extensive study provide industry executives with current financial and operating information on the domestic foodservice industry.

For easy comparison to your own operation, the results of the research are expressed as dollars earned per restaurant seat and as ratios to sales. The report divides restaurants into two major categories—those restaurants serving food only and those serving both food and alcoholic beverages. Tableservice restaurants and cafeterias are also analyzed in this study. Specific financial information is charted for restaurant type, location, years of operation, sales volume and menu theme.

The detailed comparison of how other operators are managing may help you discover alternative methods for solving budget problems.

An additional highlight of the *Restaurant Operations Report* is a report of operational results for every region of the U.S. These regional status reports analyze the recent history and project the future trends.

Who is eating out?...

The average person age eight or older eats out 3.5 times during a seven-day period, according to the *Meal Consumption Behavior Study,* available through NRA's educational materials bookstore. During April and May, the NRA research department conducted a survey of consumers by mail to learn where their meals are prepared and which meals are skipped. The report will aid restaurant operators measure their sales growth, find out where new opportunities lie and increase dollar sales.

Some of the findings of the 53-page report are

- Of all weekly meals, seven out of 10 are prepared at home or at a friend's home, two of 10 are prepared commercially and one out of 10 is skipped.
- Lunch is the meal most likely to be eaten out, fifty-one percent of people eight and older stating they had eaten commercially prepared food for lunch at least once in the past seven days.
- Forty-seven percent of those surveyed ate out for dinner at least once in the previous seven days and 15 percent had eaten out for breakfast.
- Persons aged 22 to 40 eat out more frequently than other age groups.

Persons 65 and older eat out infrequently.

- The average person age eight or older skips 1.3 breakfasts, six lunches and only 0.1 dinners in a seven-day period. The persons who eat out most frequently (22-40 years old) are most likely to skip meals. Nearly 45 percent of respondents in this age group say they had not eaten breakfast one or more times in the past seven days and about 25 percent stated they had missed lunch on at least one occasion.

These new facts on individual meal consumption behavior will aid operators plan advertising and promotional campaigns.

Do-it-yourself market research available now

NRA's new handbook, *Market Research for the Restaurateur* is vital to the industry because it provides restaurant operators and managers with accurate and current information on which to base decisions, explained Victor J. Impeciato of Atlanta, GA. Impeciato is chairman of the Information Services Committee which was responsible for the Market Research Handbook. The objective of this book is to assist owners and managers in using established market research techniques to meet their business needs.

Organized in six chapters, the 118-page book begins with a definition of modern market research. It proceeds in step-by-step fashion through the development of a campaign and its application to an individual restaurant. Several worksheets and sample analysis forms are included on menu sales patterns, customer attitude interpretation and measuring a unit's performance against the competition.

NRA's consumer attitude questionnaire is a major feature of the book. Operators are encouraged to use this questionnaire to study how their customers perceive their restaurant. The National Restaurant Association's data processing center will provide computer analysis of these questionnaires and a report will be returned to the operator.

NRA Director of Research Susan Mills emphasizes that the book is a practical guide. "It shows operators who have no background in market research how to use surveys to assist in sound operational and promotional decisions."

The book's survey exercise requires no knowledge of statistics or computers and relies only on basic mathematics. It will help take the guesswork out of important management decisions leading to more accurate business forecasts and controlled growth of profits.

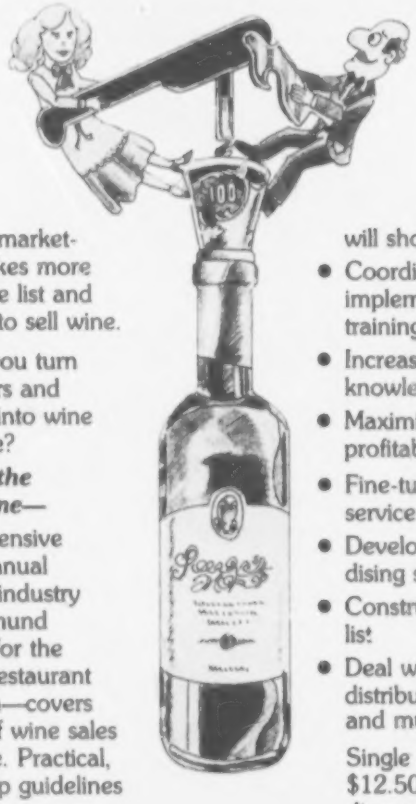
To order any of the publications mentioned, please use the response card.

Introducing Data Deli, the new NRA computer

Thanks to Data Deli, the new Hewlett Packard computer that has joined the ranks of the NRA staff, the Educational Materials Bookstore can now guarantee shipment of your book and film orders within one week. We apologize for any delays while we were switching computers and look forward to assisting you in the future.

Just phone in or mail your order to our customer service representatives, Johnny Peake or Mamie Carson. Your requests will be handled immediately.

A New TWIST to Selling Wine



In today's marketplace, it takes more than a wine list and corkscrew to sell wine.

How can you turn your waiters and waitresses into wine salespeople?

Wine and the Bottom Line—

a comprehensive training manual written by industry expert Edmund Osterland for the National Restaurant Association—covers all facets of wine sales and service. Practical, step-by-step guidelines will show how to

- Coordinate and implement a training program
- Increase product knowledge
- Maximize profitability
- Fine-tune wine service
- Develop merchandising skills
- Construct a wine list
- Deal with distributors and much more.

Single copies are $12.50. Quantity discounts available.

NRA NATIONAL RESTAURANT ASSOCIATION

311 First Street, N.W. Washington, D.C. 20001

PUBLIC HEALTH & SAFETY

OSHA standards require employee training against fires

One of the most recent revisions to the Office of Safety and Health Administration (OSHA) standards requires a training and education program to familiarize employees with the use of a portable fire extinguisher. This training must be provided at the time of initial employment and at least yearly thereafter.

The goal of the OSHA program is to ensure that those employees who may be called upon to use extinguishers are familiar with the types of extinguishers, where they are located, what fires they are effective on and the correct way to operate them. Since most extinguishers deliver their extinguishing agent in just a few seconds, there is no time for experimenting. Operation must be correct from the beginning.

What kinds of extinguishers are there? Each is classified by the type of fire it is effective in fighting. There are four classes of fires.

Class A Fires are fires in ordinary combustible materials, such as wood, paper, cloth and many plastics. Such fires may occur in storerooms, dining rooms, refuse locations and numerous other areas in a foodservice operation. Water type, multipurpose dry chemical and aqueous film-forming foam (AFFF) are suitable for Class A Fires.

Class B Fires are fires in flammable liquids, gasses and greases. They occur most frequently in the kitchen and maintenance departments. It should be noted that the system used to rate [illegible] on Class B fires does not take into consideration the special nature of heated grease fires. Cooking grease fires are a special hazard requiring agents suitable for this application. Extinguishers containing sodium bicarbonate or potassium bicarbonate dry chemical and potassium carbonate solutions are considered suitable. Others may not be, due to agent characteristics. Manufacturers' recommendations should be followed. Besides the chemical extinguishers, AFFF and carbon dioxide (CO_2) may be used on Class B fires.

Class C Fires involve live electrical equipment, and a non-conducting extinguishing agent is required. If the equipment can be disconnected, Class A or B fire extinguishers may be used safely. Otherwise, only extinguishers rated for "C" fires must be used.

Class D Fires are fires in combustible metals such as magnesium and titanium. Class D fires are highly improbable in restaurants.

Operation methods differ...

Not all extinguishers are operated in the same manner. Operation depends upon the extinguishing agent used.

Most extinguishers are equipped with a locking mechanism to prevent accidental discharge. The locking device is usually a ring pin which must be pulled out before the operating lever can be depressed. When preparing to use an extinguisher, set it on the floor and pull out the ring pin.

With water type extinguishers, the stream should be directed to the base of the flames with a side-to-side motion. After flames are extinguished, [illegible] smouldering or glowing surfaces. Deep-seated fires should be broken apart and thoroughly soaked to bring about complete extinguishment. Water types have a range of up to 40 feet and perform for about 60 seconds. These extinguishers must be recharged after each use.

When dry chemical BC is used on flammable liquid fires, such as deep fat fryers, you direct the stream to the base of the fire. You start at the near edge of the fire and work towards the back, moving from side to side. Care must be used not to direct the initial discharge at close range to a deep fat fryer as the stream may cause the splashing of the oil and the scattering of flames. The range of this extinguisher is 12 to 20 feet and the discharge will last eight to 25 seconds.

ABC chemicals have the characteristic of sticking to burning material and forming a coating which acts in smothering a fire. When applying this chemical, it is important to try to coat all burning areas in order to minimize the sources of reignition.

AFFF, chemicals when discharged, forms a mechanical foam. The stream should be directed at the base of the flames with a side-to-side motion as when using water type extinguishers.

The agent discharged from a Halon 1211 extinguisher is a mixture of liquid and vapor droplets. Use a motion to sweep the flame off the burning surface.

Extinguishers discharging carbon dioxide should be directed to the base of the flames. When flames are extinguished, you redirect a discharge to the surface to allow added time for cooling and to prevent possible reignition. Carbon dioxide extinguishers have a short range of three to eight feet.

NRA SEMINAR SCHEDULE

Bar Management

Nov. 16-18	Seattle, WA
Jan. 18-20	Dallas, TX

Menu Development

Dec. 3	San Francisco, CA
Jan. 4	Atlanta, GA
Jan. 6	Ft. Lauderdale, FL
Jan. 25	Portland, OR
Jan. 27	Los Angeles, CA

Creative Merchandising Techniques

Nov. 17	Toledo, OH
Jan. 11	Milwaukee, WI

Practical Foodservice Sanitation

Nov. 12	Manchester, NH
Nov. 30	Irvine, CA
Jan. 27	Seattle, WA

Fish and Seafood

Nov. 11	Chicago, IL
Jan. 5	Boston, MA
Jan. 7	Cherry Hill, NJ
Jan. 21	San Antonio, TX

Improving Food Production Methods

Nov. 18	Denver, CO
Jan. 14	Cincinnati, OH
Jan. 21	Chicago, IL

Practical Meat Workshop

Nov. 19	Williamsburg, VA
Dec. 2	Newark, NJ
Jan. 28	Boston, MA

Simplified Baking Workshop

Dec. 3	Newark, NJ

Soups & Sauces Workshop

Nov. 19	Houston, TX
Dec. 1	Irvine, CA

Super Salads

Nov. 12	Pittsburgh, PA
Jan. 26	San Francisco, CA
Jan. 28	Los Angeles, CA

Basic Supervision

Dec. 1	Williamsburg, VA
Jan. 5	Detroit, MI
Jan. 12	Seattle, WA

Dining Room Management

Nov. 17	Oklahoma City, OK
Nov. 19	Denver, CO
Jan. 5	Scottsdale, AZ
Jan. 7	San Diego, CA
Jan. 11	Honolulu, HI
Jan. 14	Los Angeles, CA
Jan. 18	Louisville, KY
Jan. 20	Chicago, IL

Hiring Hourly Employees

Jan. 11	Denver, CO
Jan. 26	Ann Arbor, MI

Performance Review

Jan. 12	Denver, CO
Jan. 27	Ann Arbor, MI

Kitchen Management

Jan. 7	Houston, TX

Train the Trainer

Dec. 1	Cambridge, MA
Jan. 26	Philadelphia, PA

Computers

Nov. 19	Portland, OR
Jan. 25	San Francisco, CA

Controlling Beverage Cost

Nov. 12	Indianapolis, IN
Dec. 2	San Francisco, CA
Jan. 11	Rochester, NY
Jan. 13	Pittsburgh, PA
Jan. 25	Portland, ME
Jan. 27	Newark, NJ

Controlling Food Cost

Nov. 16	Milwaukee, WI
Nov. 18	Minneapolis, MN
Jan. 5	Baltimore, MD
Jan. 7	Richmond, VA
Jan. 18	Atlanta, GA
Jan. 20	Jackson, MS

Controlling Labor Cost

Nov. 16	Cleveland, OH
Nov. 18	Baltimore, MD
Jan. 11	Reno, NV
Jan. 13	Seattle, WA

Food & Beverage Operations Auditing

Jan. 7	Ft. Lauderdale, FL

Practical Accounting for Foodservice Managers

Dec. 3	Scottsdale, AZ
Jan. 21	Kansas City, MO

How to Negotiate & Finance a New Operation

Jan. 5-6	Houston, TX

Marketing for Profit

Nov. 30-Dec. 1	Honolulu, HI

Off-premise Catering

Nov. 16-17	New Orleans, LA

Operational Analysis

Jan. 6-7	Detroit, MI

Restaurant Design & Facilities Planning

Nov. 30-Dec 1	Chicago, IL

Winning! Labor Law, Negotiations & Unions

Jan. 18-19	New York, NY

Special Conferences

☐ NRA/UNLV Educational Extravanganza, Las Vegas, Feb. 1-3, 1982

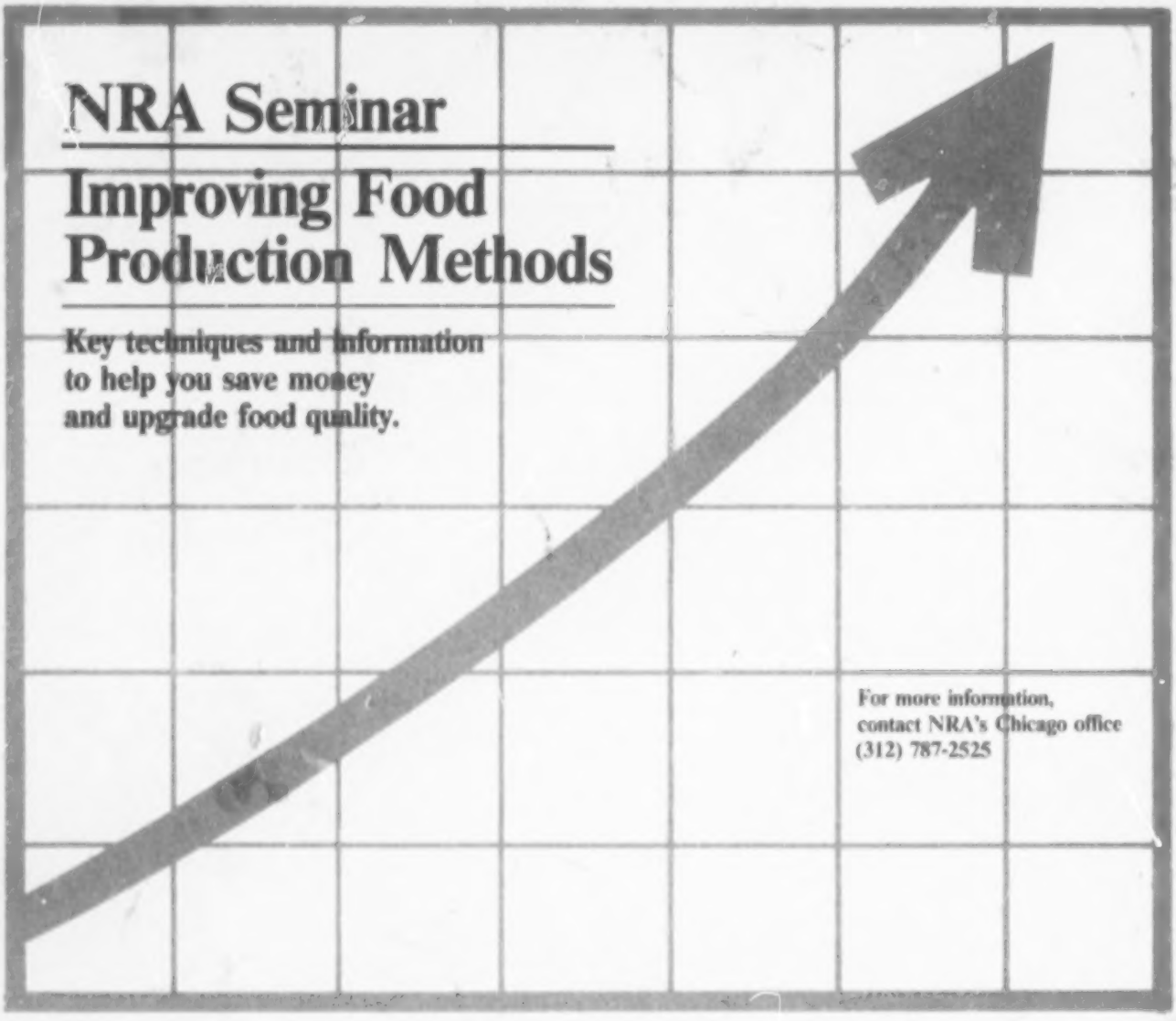
☐ Management Update 1982, Honolulu, Apr. 17-24, 1982

For more information contact:
Sharon Garner-Merrill
Registration Secretary
NRA Chicago office, (312) 787-2525

NRA Seminar

Improving Food Production Methods

Key techniques and information to help you save money and upgrade food quality.



For more information, contact NRA's Chicago office (312) 787-2525

Seminars are scheduled for
Jan. 14, Cincinnati, OH ☐ Jan. 21, Chicago, IL ☐ Feb. 4, Atlanta, GA ☐ Feb. 18, Williamsburg, VA
☐ March 9, Newport Beach, CA ☐ March 11, Phoenix, AZ

Is your address correct ?

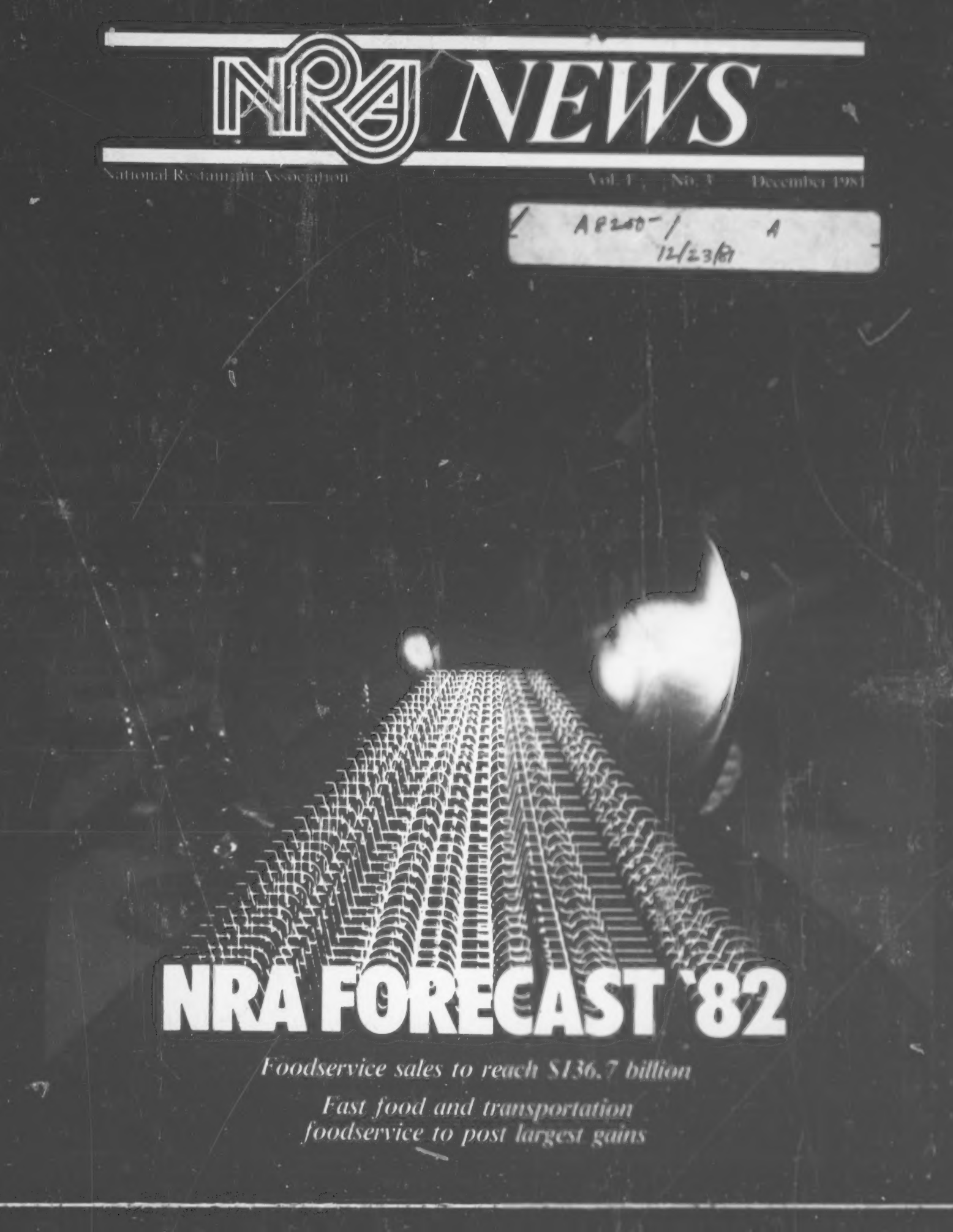
Your mailing label serves as your official membership listing within all NRA departments. If your label is incorrect, please refer to your membership number, make the proper change and send corrections to Eloise Bailey, NRA Membership Dept., 311 First St., N.W., Washington, DC 20001.

WN 10/26 MEMBER#81J011WF
JEANNE LONG
CONGRESSIONAL INFORMATION
SERVICES INC
4520 EAST-WEST HWY
WASHINGTON DC 20853

NRA NEWS

National Restaurant Association Vol. 1 No. 3 December 1981

AP200-1 A
12/23/81



NRA FORECAST '82

Foodservice sales to reach $136.7 billion

Fast food and transportation foodservice to post largest gains

A ray of sunshine in 1982

The economic news has been gloomy lately. Interest rates are still too high, unemployment is up and consumer purchases are down. The foodservice industry is affected directly by these economic conditions. When people have more discretionary funds at their disposal, they eat out more often and spend more on their meals. When money is tight, sales slow down.

But this month's *NRA News* contains a ray of sunshine. The annual industry forecast, printed here for the first time, is optimistic. NRA economists are predicting continued sales growth during 1982. Although business may be slow during the first half of the year, things should pick up after mid-year. By then, inflation will probably moderate and consumers will be feeling the effects of recently legislated tax cuts. With the clouds lifting, consumers are likely to celebrate in the traditional way — by having a good meal at their favorite dining place.

The annual forecast is only one service offered by NRA's research division. Other recent publications include annual operating ratio results, directions on how to do your own marketing research and demographic surveys, like the recent *Consumer Study on Meal Consumption Behavior*.

The research department also works closely with NRA educators to create the seminars, briefings and national conferences which keep you up-to-speed on the latest operational and technical ideas. NRA's educational program offers you everything from basic training to forums for the exchange of the most sophisticated ideas. The education department is now undergoing administrative changes which allow it to maintain and develop the existing program.

The National Restaurant Association is your research department, and it is your training and development division. We invite you to take advantage of its services.

Sincerely,

Harris "Bud" Rusitzky

Harris H. Rusitzky
Chairman
Education and Research Committee

NRA NEWS

Officers
Chairman of the Board
Walter Conti
Vice Chairman
Jack A. Laughery
Treasurer
John G. Dankos
President
Robert E. Bradford
Corporate Secretary
Ruth K. Tracy

Chairman
Communications Committee
Michael J. Grisanti
Executive Committee
Ted Balestreri
James A. Collins
Edward O. Elliott
Stanton D. Elliott
Thad A. Eure, Jr.
Ralph B. Evans
G. "Jim" Hasslocher
Larry Hilaire
Michael E. Horn
Joe R. Lee
Harris O. Machos
Michael O'Neal
William F. Regas
John L. Rice
Ernest H. Royal
Harris H. Rusitzky

Senior Director
Jeffrey R. Prince
Director of Publications and Editor
Steven J. Dahlhof
Communications Specialists
Carol A. Caprione
Elyse G. Cutler
Sections Editors
Bette B. Hoyt
Jay H. Morris
Staff Contributors
Jean E. Campbell
Gayle L. Christensen
Tom C. Corcoran
Cindy M. Estis
Clyde L. Griffith
Elizabeth E. Hendrix
Susan F. Mills
Robert A. Palmer
Andrew P. Poledor
Elaine A. Raffel
Janet T. Rogers
John R. Rolfs
Rachel A. Zachary

Editorial offices and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One IBM Plaza, Suite 2600, Chicago, IL 60611
(312) 787-2525

NRA News (ISSN 0465-7004) is published monthly by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to *NRA News*. The non-member subscription fee is $100 per year. Second-class postage paid at Chicago, IL 60607 and additional mailing offices.

Copyright © NRA 1981, all rights reserved.

Postmaster, send address change to *NRA News*, 311 First St., N.W., Washington, DC 20001.

CONTENTS

Special

9 – **NRA Forecasts '82** — The foodservice industry is headed for better times during the coming year, according to NRA economists. This special pull-out section will highlight predicted sales data for all segments of the foodservice industry, break down 1981 sales and forecast of '82 sales state by state as well as zero in on untapped consumer markets. **Foodservice Trends**

7 – **Trendsetters** — Breaking into the 80s. *NRA News* looks at some of the 1980-81 trends that are likely to take off during the decade.

Departments

Washington Report

3 – 1981 was a banner year for NRA's government relations department. NRA reviews 1981 legislation which affects the industry.

4 – NRA interviews Sen. David Durenberger on proposed commercial energy tax credit.

6 – NRA appoints new director of government relations.

The Board Room

36 – NRA board visits German food exposition.
– Conti speaks to international foodservice editors.
– Bradford meets with Oregon cattlemen on proposed changes to the beef grading standards.

The Law

37 – Industrial revenue bonds available to foodservice industry.
– 1981 tax bill allows for special depreciations.

State Department

38 – NRA works with Louisiana Restaurant Association to stop proposed restrictions on imported shrimp.

Showtime

39 – NRA-TV Today will cover events at '82 Show.

Education

40 – Industry food purchasers discuss food supply and trends in consumption.

Sections

Short Orders

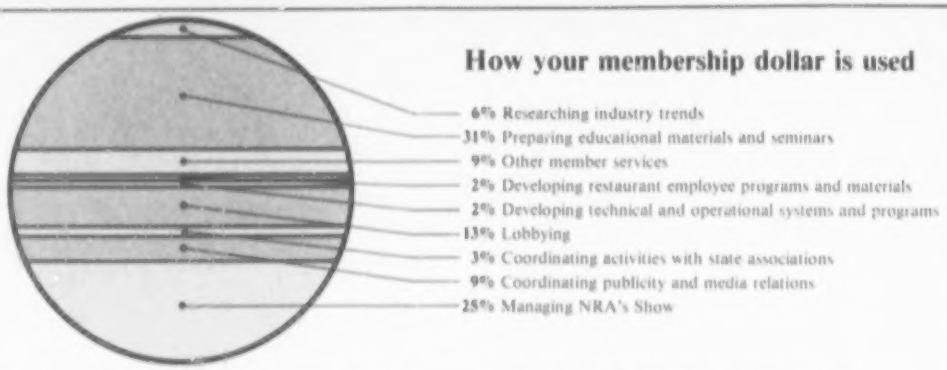
2 – 1982 NRA memberships available.

Bill of Fare

33 – American regional cuisine — tapping U.S. resources to come up with a truly American style of cooking.

Cover photo by Mark Borchelt

1982 NRA memberships now available


How your membership dollar is used
6% Researching industry trends
31% Preparing educational materials and seminars
9% Other member services
2% Developing restaurant employee programs and materials
2% Developing technical and operational systems and programs
13% Lobbying
3% Coordinating activities with state associations
9% Coordinating publicity and media relations
25% Managing NRA's Show

NRA's 1982 membership renewals have been sent to all members of the association. Michael Hurst, chairman of the NRA Membership Development Committee, in urging all members to keep their membership up to date, emphasized, "This year we are pushing for over an 85 percent renewal rate."

The National Restaurant Association is bigger than ever before and continuing to grow. In 1981, over 90 percent of NRA's 10,000 members were small businesses. According to NRA President Robert Bradford, "The owner/operators of one-to-five unit establishments are the backbone of the association. The continually expanding NRA services would not have been possible without the strong and continued financial support of this group of members. If the association is to continue the campaign to put freedom back into the free enterprise system, participation in NRA by these small operators is even more important in 1982."

Through significant legislative victories on Capitol Hill, the association more than reimbursed its members their 1981 dues. NRA's strong lobbying efforts in Washington saved most operators $170 a year per employee.

All members are reminded to send their dues with a copy of the NRA invoice to avoid any delay in processing. Any membership questions should be directed to the membership department in Washington, DC (800) 424-5156.

SHORT ORDERS

NRA decals sent to 1982 members

Over 24,000 NRA 1982 membership decals have been sent to member companies who have paid their dues for the upcoming year. Across the country, members proudly display the decals on front doors, windows and cash registers, increasing the visibility of the nation's largest foodservice association.

NRA President Robert Bradford explains that visibility of the association is vital to increasing our grassroots political effectiveness. Using NRA decals is an excellent way to increase recognition of NRA, Bradford said. Members are urged to order as many decals as they need.

NRA offers members complete industry library

With continuous growth and expansion of its collection and services, the NRA information resource center has adopted a new name which more accurately describes its capabilities — the NRA information service and library. The new name should serve as a constant reminder of the variety of materials and services available to NRA members.

The library collection is comprised of nearly 4,000 volumes, 400 clipping files and over 90 regularly scanned national and regional trade/business journals. The staff will consult all NRA sources and, if necessary, outside references to answer questions to members' inquiries.

NRA members receive priority service. Usually, the information staff will research your question and call you back with the requested information on the same day. Frequently, follow-up articles are mailed out as well.

The information service and library is an invaluable membership benefit which is only a phone call, letter or visit away. For a brochure, contact the information service and library in Washington, DC.

Help a choking victim

As an aid to restaurant owners and operators, NRA has produced a first-aid chart that illustrates the methods involved in assisting a choking victim.

Universal Choking Sign

This chart explains techniques which are endorsed by the American Red Cross and the National Academy of Sciences — the Heimlich Maneuver and the sequence of obstructed airways maneuvers.

NRA recommends that all restaurateurs post these charts as a safety precaution for employees and patrons.

The charts can be ordered through NRA's educational materials department in Washington, DC. Discounts are available on orders of 100 or more.